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ASEAN Official Sees No Threat From APEC

BK0812115294 Kuala Lumpur NEW STRAITS TIMES in English 7 Dec 94 p 2

[FBIS Transcribed Text] Kuala Lumpur, Tues. [6 December]—There is a need for more consultations within ASEAN to form a common perception of Asia-Pacific Economic Cooperation (APEC) so that member countries feel comfortable participating within an APEC framework.

ASEAN Secretary General Datuk Ajit Singh said while there was yet no common perception of APEC among Asean member countries, APEC had moved ahead.

"The original premise on which ASEAN based its participation in APEC has largely been overtaken by events, with the establishment of the APEC Secretariat in Singapore, institutionalisation of the leaders' meeting, and expanding activities of the various working groups. A common perception of APEC would be beneficial to ASEAN and APEC," he said at a luncheon talk on ASEAN in the Context of Asian Resurgence at the International Conference on Rethinking Human Rights.

The two-day conference is organised by non-governmental organisation Just World Trust.

Ajit said APEC has a special appeal because of its mix of developed and developing countries meeting at the highest level.

All the countries in this region except North Korea, Cambodia, Laos, Myanmar [Burma], and Vietnam are members of APEC. The two most important trading nations, Japan and the United States, are also members as are Australia and Canada.

He said there was no danger of APEC "railroading" ASEAN. Quoting former U.S. Secretary of State James Baker, he said ASEAN was the core of APEC and without ASEAN, there would be no APEC.

"Asia has progressed significantly and the 'Asian Miracle' has entered our lexicon and is now a reality. With economic success comes recognition and attention from the world. It is not by accident that the European Union has adopted a new strategy on Asia to take advantage of the rapid growth in the area and that the U.S. should use APEC to vigorously pursue its economic and trade links with the region. India and Russia have also shown keen interest in developing new ties with the region, particularly with ASEAN. From countries to corporations, the region is receiving greater and greater attention."

He said the region was no longer ignored in the context of globalisation, be it in trade or investment, and East Asia and ASEAN should learn from past experiences of being exploited, divided, and weakened by drawing closer to build trust and confidence among the countries.

"It is important that we resolve whatever problems and disputes we may have peacefully through negotiations, without recourse to arms. Our relationships must be based on respect for the sovereignty and independence of each of our countries," he said.

Ajit also said the ASEAN and East Asian region has now the opportunity to play a more effective role in world affairs, particularly the need to keep markets free and open and conducting trade without prejudice and discrimination.

'Growth Triangle' Delegates Reach Agreements

BK0712123894 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 7 Dec 94

[FBIS Translated Text] During their 5-6 December meeting in Medan to discuss trade and investment, delegates of the Northern Growth Triangle involving Indonesia, Malaysia, and Thailand reached two agreements that will be further discussed in Penang.

Speaking through the North Sumatera regional government's Public Relations Service, Indonesian delegation leader (Paing Nainggolan) said the two agreements involve simplifying bureaucratic regulations in investment and human resources development. The two issues will be further discussed at a higher level in Penang on 14-16 December so that the issues can be understood more clearly.

Japan

Impact of Bentsen's Resignation Assessed

OW0812141994 Tokyo MAINICHI SHIMBUN in Japanese 8 Dec 94 Morning Edition p 9

[By correspondent Michio Shiota]

[FBIS Translated Text] Washington—President Clinton would pay a high price for the departure of Treasury Secretary Bentsen because he will lose a key player in his administration for lobbying the U.S. Congress. Treasury Secretary Bentsen has built his personal relationship with members of Congress through 30 years of his service as a member of Congress and President Clinton has often relied on his personal relationship. The balanced budget amendment, which includes reducing the federal budget deficit by $500 billion in five years, could not be enacted in Congress without Treasury Secretary Bentsen's help. It was Treasury Secretary Bentsen who persuaded Republican Senate Floor Leader Bob Dole who hesitated to endorse the accord of the Uruguay Round. Robert Rubin, assistant to President Clinton, who has been nominated to succeed Bentsen as treasury secretary, is an able man, but he does not have his own channel with Congress.

The Clinton administration will face many difficulties in carrying out its economic policy next year. The Republican Party, which will hold a majority in both houses of Congress, is demanding cuts in income tax and capital gains tax. President Clinton is showing signs of going along with the Republican demand for cutting the income tax with an eye on the presidential election.

No prospects are seen for securing alternative revenues to offset the tax cuts. In his 5 December lecture, Treasury Secretary Bentsen said, "Nothing has been decided on economic policy." The Wall Street view is that the federal budget deficit would grow and interest rates would be raised.

Meanwhile, the Clinton administration's Japan policy will inevitably face a confusion. Although Commerce Undersecretary Garten is leading the notion that the Clinton administration should reassess its confrontational policy toward Japan, the Clinton administration for now has no room to do so. As a result, it appears that the Clinton administration will continue its makeshift [sonobashinogi] diplomacy toward Japan.

Robert Rubin has gotten considerably tough with the U.S. policy toward Japan while serving as assistant to President Clinton, but he has taken a very flexible stand toward Japan at every crucial stage. Bowles [name as transliterated] is to succeed Rubin as assistant to the President and nothing is known about how he intends to deal with trade issues with Japan. Many members of the trade team in the Clinton administration are expected to be shuffled and Japan appears to have no choice but to keep a close eye on how the trade team is going to deal with the trade issues with Japan.

Walesa Welcomes Debate Over NATO Expansion

OW0812113094 Tokyo KYODO in English 1124 GMT 8 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO—Polish President Lech Walesa said Thursday [8 December] he welcomes the heated debate with Russia over the possible expansion of NATO to Eastern Europe as a sign of freedom and democracy in the post-Cold War world.

Addressing a news conference at the Japan National Press Club at the end of a four-day visit, Walesa said he is "very happy" that radical opinions can be voiced freely and actively after the fall of Communism.

"Isn't debate boring if there are no contrary opinions," he asked in alluding to Russia's opposition to plans by the western military alliance, the North Atlantic Treaty Organization, to integrate Moscow's former satellites Poland, Hungary, the Czech Republic and Slovakia into its security framework.

U.S. President Bill Clinton, who advocates NATO's expansion eastward, and Russian President Boris Yeltsin clashed over the issue at a European Security Conference in Budapest earlier this week.

Yeltsin said the plan, which excludes Russia, sows distrust and could plunge Europe from Cold War into a "cold peace" by creating new divisions.

In protest to the expansion plan, Russian Foreign Minister Andrey Kozyrev on Dec. 1 refused to sign a military cooperation accord with NATO under its partnership for peace plan.

Walesa said he is confident that NATO as an organization guaranteeing peace and stability will prevail with its stance in the end, adding "it is certainly not a bad thing" if the alliance moves closer to Russia. "The closer the better" he said arguing closer relations with NATO will help Russia to achieve lasting peace and stability.

Stressing that Poland will likely achieve a little more than 5 percent growth of its gross national product this year following two years of successive growth, Walesa pledged that Warsaw will resume debt service to Japan shortly.

Prime Minister Tomiichi Murayama on Wednesday turned down Walesa's request to lift a freeze on yen-dominated loans citing Warsaw's failure to repay outstanding external debts. Walesa also urged Tokyo to grant state guarantees to Japanese companies that want to invest in Poland.

He said he did not come to Japan to beg for investment by all means, but added with a touch of humor that an influx of Japanese capital would certainly help to boost his bid to be reelected president next year.

Referring to Poland's troubled history with Russia and Germany, Walesa said leadership generation today should see for that the wrongdoings of the past do not become a problem for the younger generations, he said.

"It's our parents who fought the war," he said urging that now, almost half a century after, the book should be closed on World War II. "The world today is different. Please look to the future for the sake of our children," he said.

Upper House Ratifies WTO, Seven Related Bills

OW0812064494 Tokyo KYODO in English 0627 GMT 8 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO—The House of Councillors on Thursday [8 December] approved legislation ratifying establishment of the World Trade Organization (WTO) and seven related bills.

The upper house gave majority approval to the package of bills at its plenary session, following an endorsement earlier in the morning by its ad hoc committee.

The government is scheduled to hold a cabinet meeting to formally ratify the establishment of the WTO, then send an affirmative reply to the Secretariat of the General Agreement on Tariffs and Trade (GATT).

Since the United States passed similar legislation last week, other GATT members are expected to follow the two economic superpowers and endorse the WTO.

World trade officials meeting in Geneva on Thursday are likely to formally inaugurate the organization on Jan. 1 as scheduled.

Creating the WTO to replace the Geneva-based GATT was part of the Uruguay Round of multilateral trade negotiations concluded late last year.

The WTO will cover not only trade of goods but also services and intellectual property.

Under the new world trade system, Japan hopes to strengthen its agricultural sector's competitiveness by making the best use of a 6.01 trillion yen package designed to help protect farmers from competition from imports expected under the WTO.

The upper house plenary session adopted a decision that Japanese agriculture and self sufficiency in staple food should be strengthened by special financial means.

As a result of the Uruguay Round agreement, Japan will reduce tariffs on mining and industrial products by 61 percent, the U.S. will cut their tariffs by 33 percent and the European Union (EU) by 37 percent.

According to the GATT Secretariat, the Uruguay Round accord, if implemented, will push up the world annual income by about 510 billion dollars (some 51 trillion yen) by the year 2005.

International Trade and Industry Minister Ryutaro Hashimoto said that the WTO agreement is of historic significance because it covers not only tariff reductions but also intellectual property and service fields, and is expected to contribute to the development of world trade through the maintenance and strengthening of the multilateral trade system.

"Japan will do its international duty by making efforts to have the WTO agreement enforced smoothly and by asking other countries to work sincerely to put the agreement into effect," he said.

Keidanren To Propose Participation in EAEC

OW0712044194 Tokyo KYODO in English 0420 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—The Federation of Economic Organizations (Keidanren), Japan's most influential economic group, is considering proposing to the government that Japan join the East Asia Economic Caucus (EAEC) proposed by Malaysia, federation officials said Wednesday [7 December].

The Japanese Government and Keidanren have been leery about Japan's participation in the EAEC, proposed by Malaysian Prime Minister Mahathir Mohamed in 1990, because it excludes the United States.

Keidanren's proposal will state that free trade blocs, such as the European Union (EU) and the North American Free Trade Agreement (NAFTA), should not be established in Asia, the officials said.

But since the EAEC, like the Asia-Pacific Economic Cooperation (APEC) forum, is not a free trade area, Keidanren thinks that it is natural for Japan to take part in the EAEC, they said.

By participating in the EAEC, Keidanren will propose that Japan make efforts to ease U.S. anxieties about the Malaysian-proposed economic caucus, they said.

Keidanren has so far explained that a consensus on the EAEC among member countries of the Association of Southeast Asian Nations (ASEAN) should be first established so that the U.S. will be able to accept the EAEC.

The officials said that Keidanren is planning to finalize the proposal in time for an economic mission, led by Chairman Shoichiro Toyoda, to be dispatched in February to Singapore, Thailand and Vietnam. Another mission will be sent in April to the Philippines, Malaysia, Indonesia and Brunei.

MOF Planning To Keep ODA Growth Under 4%

OW0412114494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 4 Dec 94 Morning Edition p 3

[FBIS Translated Text] A battle will likely rage over whether to keep the growth of Official Development Assistance (ODA) spending for FY 1995 to under 4 percent over the initial budget allotment in the previous fiscal year. Although the Finance Ministry has traditionally approved high growth rates in budget allotments for

ODA programs, the ministry now asserts that "thanks to the yen's appreciation over other currencies, we can maintain a high growth rate in budget allotment in terms of dollars even if we keep the growth rate under 3.5 percent in terms of yen." In reaction, the Foreign Ministry maintains that "since the administration of Prime Minister Tomiichi Murayama advocates placing emphasis on international contributions, it is desirable to secure a growth rate of 4 percent or more." Should the growth rate in ODA spending be kept under 4 percent, the growth rate in public works spending would replace that to mark the highest growth rate in government spending.

In June 1993 the government decided on the Fourth Mid-Term ODA Target Goals, a plan under which it would spend, in real terms, a total of $70-75 billion in fiscal years 1993-1997. In the FY 1994 budget, the government kept the growth in its ordinary expenditures to 2.3 percent over the previous fiscal year, but secured a 4.8 percent growth in ODA spending. In the estimated budget requests for FY 1995, ODA spending received the same treatment as defense spending as "specially exempt areas," and a request was made for a 7.8-percent increase.

The Finance Ministry is asserting that the growth in ODA spending should be kept low, stressing the following points: 1) Public opinion has changed as indicated in the "Public Survey on Foreign Affairs" conducted by the Prime Minister's Office, which showed that after 1992, the percentage of people who feel that "ODA spending is fine at the current level" surpasses the percentage of those who feel that it "should be promoted more aggressively"; 2) a majority of major aid-providing nations, including the United States, have switched to decreasing ODA spending; and 3) government spending toward international contributions, other than that for ODA programs,—such as UN peacekeeping operations (PKO)—has increased.

Moreover, since the FY 1994 budget was calculated, based on an exchange rate of 106 yen to the dollar, the Finance Ministry believes that a growth rate in ODA spending comparable to the previous fiscal year can be maintained in terms of dollars even if the growth rate should be kept under 3.5 percent, because recently the yen has further appreciated. Since tax revenues are not expected to increase the ministry does not plan to treat ODA spending as a sacred area any longer.

The Foreign Ministry argues that in order to attain the mid-term target goals, it is necessary to continually maintain a steady growth rate in ODA spending. It is observed that while some members of such parties as the Social Democratic Party of Japan advocate disarmament through reducing defense spending, they also seek to emphasize the Murayama administration's political style of promoting international contributions by approving a relatively high growth rate in ODA spending. Consequently, it is expected that there will be a large number of opponents complaining about keeping the growth rate in ODA spending, which was 4.8 percent in FY 1994, to under 4 percent.

Among major expenses in the government's ordinary expenditures, spending on public works projects will mark a growth rate of over 4 percent over the previous year because FY 1995 will be the initial year for the New Basic Public Works Project toward which a total of 630 trillion yen will be spent over the next 10 years. ODA spending has marked the highest growth rate for 16 consecutive years since FY 1979. If, however, the growth rate in ODA spending should be kept under 4 percent, it would be surpassed by the growth rate in public works spending.

IMF, World Bank in Search of New Roles Viewed

952A0061A Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Oct 94 p 5

[Article by Tetsuya Minoru, reporter in Madrid: "IMF, World Bank: Not Being Able To Find New Roles; North-South Confrontation Surfaces; U.S. Leadership Also Declining"]

[FBIS Translated Text] *The joint general meeting of the International Monetary Fund (IMF) and the World Bank closed on 6 [October], concluding a series of international financial conferences. In the course of the conferences the "raison d'etre" of the two international financial institutions, created by the Bretton Woods Conference of 50 years ago, became a hidden theme. Although there were many who said that these institutions are essential for the formation of a world economic order, one gets a strong impression that the meeting ended without determining a direction for their new roles.*

Unable To Demonstrate Coordinative Function

It may have been a conference that left unprecedentedly humiliating memories for the two top members. "Don't you feel that you should take responsibility and resign?" IMF Managing Director Camdessus was blasted by this question at the press conference on 2 [October] when it was forced to delay new allocations of SDR (special drawing rights).

On the morning of 4 [October], just when the general meeting address by World Bank President Preston had begun, a banner in large letters that read "the World Bank is destroying the ozone layer" was hung from the ceiling of the hall. This was the work of the environmental group "Greenpeace" which criticizes the World Bank's financing as being linked to environmental destruction.

The "misfortune" of the two top members as it stands is symbolic of the severity of the environment in which the two institutions find themselves.

At the root of the SDR allocation problem which put Managing Director Camdessus in such a difficult predicament is the divided opinion between advanced industrialized countries which oppose the easy supply of funding and developing countries which desire a stable supply of funds. Although the influx of funding to the markets of developing countries has been conspicuous of late, according to India's Finance Minister Singh, "It is capricious and tends to favor certain countries." However, from the perspective of industrialized nations, "Unless money is issued under strict conditions, it will merely trigger inflation," according to German Federal Bank President Tietmeyer.

This recent controversy also demonstrated that the IMF has ceased to be able to function to coordinate these types of clashes.

Industrial Nations Race Ahead To Make Decisions

Says Bank of Tokyo Chairman Gyoten (former financial commissioner), who is currently visiting Madrid, concerning this recent uproar about SDR, "It reflects the decline in the United States' leadership capacity. If the United States possessed the kind of leadership capacity and philosophy that created the Bretton Woods system 50 years ago, the debate would not have ended midcourse with the likes of a North-South confrontation."

The decline in the IMF's function is also that the group of seven advanced industrialized nations have more and more come to determine the world economic order on their own. Another cause of the complications in the SDR question was due to the agreement just prior to that by the conference of central bank presidents and finance ministers of the seven industrialized nations (G7) which the IMF provisional committee was pressed to ratify.

On that point, it is ironic that in the G7 chairman's statement was a request that the IMF take a more aggressive role in the area of multilateral policy surveillance. However, the majority of opinions on this matter say that "it is a question of principle," says Mr. Gyoten. It appears that there is a strong aspect of showing consideration in form for arguments for strengthening the IMF that are coming from the outside such as the Bretton Woods Committee.

Regarding the current system, for example, Managing Director Camdesus tried to appeal for "stabilization of the system by reinforcement of policy compatibility and introduction of a flexible exchange rate sphere" and economists who attended a symposium in the areas in question requested examination of a new currency system framework, but the G7 only reacted with indifference.

Defending Against Criticism From Start to Finish

According to an international financial source, although the IMF was provided with the honor of strengthening policy surveillance rights in the recent conference, it could probably be asserted that "it was unable to find a new role in a substantive sense." The World Bank, meanwhile, far from strengthening its rights, was forced to defend its organization. Partially because of the appearance in the hall of environmental protection groups in large numbers including Greenpeace and human rights protection groups, the World Bank was kept busy making written counterarguments to the effect that "World Bank financing is not related to environmental destruction," "the view that financing results in an increase of impoverished classes is erroneous," etc.

The World Bank was once again criticized by the "Bretton Woods Commission" headed by former Federal Reserve Board (FRB) Chairman Volcker that "the World Bank is invading the territory of private financial institutions and has become fat," so it spent the entire time in the defence of strengthening the work of guaranteeing private financing, aiming for greater organizational efficiency, etc.

It may be, as Financial Commissioner Nakahira of Ministry of Finance said, "the IMF and the World Bank played a significant role in the shift to a market economy, so a new role in response to requirements of the age will surely appear." However, there was no evidence of that at the time the conference was completed. One was impressed with the severity of the journey the two international financial institutions will face to survive in the 21st century.

Special Funds for Social Infrastructure Considered

OW0612131694 Tokyo KYODO in English 1232 GMT 6 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO—The ruling coalition parties are considering earmarking some 50 billion yen for improvement of new social infrastructure, including spending on multimedia equipment, in Japan's fiscal 1995 budget, coalition sources said Tuesday [6 December].

The money would be part of 300 billion yen in allocations designated for priority public works projects in the budget, they said.

The parties intend to raise the percentage of expenses for facilities related to social infrastructure projects on telecommunications, education, science and technology, and basic research among others, the sources said.

On the other hand, they plan to restrain expenses for other public works projects to some 250 billion yen, the sources said.

The ruling coalition's working group on public works will decide the ratio of the allocations around Dec. 16, and specific distributions of the money around Dec. 23. On Dec. 25, the government is scheduled to endorse a budget plan for fiscal 1995 which begins next April 1, they said.

The ratio of public works expenses to those for facilities has been fixed at seven to one or eight to one, they said.

The ruling coalition wants to pave the way for drastic change of rigid allocations of public works spending by setting the ratio of the special allocations at five to one, they said.

However, coordination is likely to face rough going because of expected objection from ministries and government agencies concerned, they said.

As a result of the allocations review, the Ministries of Posts and Telecommunications and International Trade and Industry are likely to get bigger shares for their telecommunications-related projects, the sources said.

The Science and Technology Agency and the Education Ministry will also receive greater shares for their research and development projects, they said.

In contrast, the Construction Ministry, which has jurisdiction over public works, is expected to lose much of its portion, they said.

The Ministry of Agriculture, Forestry and Fisheries is aiming for its traditional share on the basis of an agricultural package to assist farmers under the Uruguay Round global trade agreement, they said.

The special allocations for policy-priority projects were newly established with a view to reviewing disbursements for public works investment when the ceiling for budget requests was endorsed last July.

Requests for the allocations, submitted from ministries and government agencies at the end of August, came to 645.6 billion yen, more than double the 300 billion yen earmarked for such spending.

The requested amounts are to be reduced to the limit before the fiscal 1995 draft budget is compiled by Dec. 25.

Panel To Retain Capital Gain Tax in 1995

OW0712120894 Tokyo KYODO in English 1146 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—A tax reform team of the ruling parties decided Wednesday [7 December] to retain the securities transaction tax in fiscal 1995 which begins April 1, coalition sources said. The sources said the tax reform project team concluded that abolition of the tax on capital gains is premature and should follow deregulation on stock and bond markets. The securities industry and the Liberal Democratic Party, the largest in the three-party coalition, have pressed the government to abolish the tax to prop up the slumping securities market. The sources said the project team put priority on deregulation in the securities market and reduction of securities brokerage and transaction commissions.

Kono Said Cautious in Relations With DPRK

OW0612122494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Dec 94 Morning Edition p 2

[FBIS Translated Text] Yohei Kono, deputy prime minister and foreign minister (who also serves as president of the Liberal Democratic Party [LDP]), commented on policies regarding the DPRK (North Korea) in a speech at LDP headquarters on 5 December. He said: "It is only natural that relations between states should be normalized. However, we should not mistake the substance in our hurry." He thus indicated that talks for normalizing diplomatic relations between Japan and the DPRK should be promoted cautiously.

DPRK 'Power Structure' Led to Delegation Refusal

OW0812112594 Tokyo SHUKAN DAIYAMONDO in Japanese 10 Dec 94 p 101

[Article by journalist Yoshiko Sakurai: "North Korean 'Power Structure' That Prevented Ruling Parties From Visiting the DPRK"]

[FBIS Translated Text] The DPRK (North Korea) notified that "it is difficult to allow" the visit of Japanese tripartite ruling parties delegation of the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger]. What does this refusal mean? The background can be traced when positions of both Japan and the DPRK are examined in reference to the international relations surrounding the Korean peninsula.

First of all, Japan and the United States held a working level conference in New York in October and decided to establish the Korea Energy Development Organization [KEDO]. The KEDO will be inaugurated by next spring and both Japan and the ROK will bear 3 billion out of $4 billion required for the construction of light-water reactors in North Korea. In addition, the United States is to supply 500,000 tons of crude oil every year to supplement energy required before the completion of the light-water reactors.

This large-scale aid program was approved by U.S. President Bill Clinton on a condition that the special inspection to check whether the DPRK has developed nuclear weapons will be put off for five years. It was the product of compromise that President Clinton intended to use as a means to show Amereicans his diplomatic achievments with an eye on the November mid-term elections.

On the part of the DPRK, it was an unprecedented great success. As a matter of fact, without being subjected to special nuclear inspections, it is going to get money needed to switch to light-water reactors and crude oil that can be used for military purposes. It can be said that the DPRK succeeded in striking a deal with the United States and terms of the deal were far better than it originally thought.

Why doesn't the DPRK reopen the negotiations with Japan in an unparalleled adroit manner to take whatever benefit it can, as it did in the negotiations with the United States with such an unmatched skill? Why did the DPRK refuse the Japanese delegation of the ruling parties which can lay the first step toward accelerating the mutual relations and acquiring assistance?

To solve that puzzle, it is important to see who is directing the negotiations. It was officially said that a series of negotiations with the United States had been conducted under the direction of Supreme Commander Kim Chong-il. As a matter of fact, however, the real commander was Foreign Minister Kim Yong-nam of the Administrative Council. Meanwhile, negotiations with Japan are under the supervision of Secretary Kim Yong-sun, who is one of the relatives directly connected with Kim Chong-il.

Contradicting Secretary Kim Chong-il, who is reported to be positively for nuclear weapons development, the DPRK later announced that it would freeze a graphite type reactor and its related facilities in accordance with the agreement with the United States. That decision had been made by the DPRK cabinet members, including Kim Yong-nam.

Officially, Kim Chong-il is said to be leading the DPRK, but in reality, the nuclear reactor problem and its solution are heading in the opposite direction from what Secretary Kim Chong-il intended, in an antagonistic structure of the administration versus Kim Chong-il.

There are other indications to show disarray of opinions between Secretary Kim Chong-il and the DPRK administration.

At the end of August after the death of President Kim Il-song, the 6 July teachings left by the Great Leader began to be frequently mentioned. The late president was said to have told the expanded Political Bureau conference about the DPRK future and his remarks made on 6 July are now called the 6 July teachings of the deceased.

The teachings call for upgrading the responsibilities and roles of the Administrative Council and for intensifying efforts to develop industries such as the light industry and agriculture in order to improve national life.

Giving more authority to the cabinet means to make it stronger than Secretary Kim Chong-il. It is because the positions Kim Chong-il holds—the posts of the supreme commander of the DPRK Peoples Army and the chairman of the National Defense Committee of the DPRK—are not part of the cabinet.

Attaching importance to the light industry and agriculture is contrary to the heavy industry oriented policy symbolized by Kim Chong-il's inclination to build mammoth structure to enhance national dignity. Thus, it is possible to comprehend the meaning of the important radio announcement on 9 November. Secretary Kim Chong-il's directive on 9 November to proceed with the construction of a bridge and tunnel seems to be a challenge of the Kim Chong-il faction against the light-industry oriented policy pursued by the cabinet itself.

From this point of view, the reason for refusing to receive the Japanese delegation becomes apparent. The DPRK cabinet is assumed to be unwilling to receive a delegation from Japan under the initiative of Kim Yong-sun who is under direct influence of Kim Chong-il. The facts that the Japanese side made a remark that it would review the past statement assuring compensation for the 45-year-long post war period and that a Japanese delegation was sent to the ROK on the same day that the Japanese were to visit the DPRK were assumed to have given opportune excuses for the DPRK cabinet to refuse the Japanese delegation from visiting the DPRK.

After all, the real reason behind refusing the Japanese visit was construed nothing but confrontation and power struggle between Secretary Kim Chong-il and the DPRK Government.

Trading Firm Punished for Exports to DPRK

OW0812093394 Tokyo KYODO in English 0908 GMT 8 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO—The Ministry of International Trade and Industry (MITI) on Thursday [8 December] imposed an administrative sanction on a Yokohama trading company for illegal exports to North Korea.

Yokohama Machinery Trading Co. shipped 337 used automobiles to North Korea between April and September 1993 without obtaining a permit from the MITI chief, the ministry said. The action constituted a violation of the foreign exchange and foreign trade control law, MITI said. Yokohama machinery trading will be prohibited from exporting used cars to all areas for one month starting Dec. 15, it said.

Canadian Envoy Presents Export 'Action Program'

OW0812084394 Tokyo YOMIURI SHIMBUN in Japanese 7 Dec 94 Morning Edition P 7

[FBIS Translated Text] Canadian Ambassador to Japan Campbell [as published] held a news conference on 6 December, and made public the "Action Program for Trade with Japan," which sets targets for expanding the export of Canadian goods to the Japanese market.

In this program, announced by Canadian International Trade Minister Roy MacLaren in Toronto on 5 December, Canada has formulated plans to gain access for its products on the Japanese market by calling on Tokyo to promote deregulation. Listed in the program are also concrete goals for action in seven separate fields: Building materials, processed foodstuffs, auto parts, aquatic products, the information technology industry, sightseeing, and aerospace industry

Regarding the building material field, which is also a focal issue in the Japan-U.S. trade framework talks, Canada has proposed establishing a system of mutual certification of standards to expand its exports to the Japanese market.

China Said To Delay Shipment of Corn to Japan

OW0612125694 Tokyo ASAHI SHIMBUN in Japanese 6 Dec 94 Morning Edition p 10

[FBIS Translated Text] On 5 December, the Agriculture, Forestry, and Fisheries Ministry announced that it will draw down the government's corn stock of 130,000 tons to supply assorted major feed makers and trading firms because of a long delay in China's corn exports to Japan. China has thus far met 20 percent of Japan's domestic demand for corn. In China, the domestic demand for corn has sharply increased over the past few years as the country's economy has grown and the standard of living has greatly improved. Japanese corn importers are wary of China's ability to supply Japan with corn both timely and sufficiently.

According to the feed industry, China has delayed the shipment of corn to Japan since September this year. The Central Union of Agricultural Cooperatives has said: "China has shipped about half of the contracted corn to Japan." A Hong Kong news agency has reported that "in a bid to stabilize the prices of food, China has banned the export of corn and rice."

Plastics Firm To Invest in PRC With ROK Company

OW0712061994 Tokyo KYODO in English 0551 GMT 7 Dec 94

[FBIS Transcribed Text] Toyama, Japan, Dec. 7 KYODO—Sowa Resin Mfg. Co., a maker of fiber-reinforced plastics based in Toyama Prefecture, said Wednesday [7 December] it has formed a joint venture in the Chinese province of Hebei with Yaohua Glass Co. of China and Sea Kyong Sowa Co. of South Korea. The joint venture, called Qin Hung Dao Yao Hua San Rong Frp Co., will produce plastic products and is capitalized at 10.2 million yuan. Yaohua Glass is putting up 5.1 million yuan for the venture, Sowa Resin about 2.975 million yuan and Sea Kyong the remainder of the money. The joint venture plans to start operation next July with an annual output capacity of more than 330 tons. It is expected to export fiber-reinforced plastic bathtubs to South Korea.

Interest Increasing in Investment in Burma

OW2911144194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Nov 94 Evening Edition p 5

[FBIS Translated Text] Japanese companies have been increasingly interested in Burma as a potential recipient of their investment in Asia in addition to Vietnam. In addition to a research mission from the Japan Productivity Center for Socio-Economic Development scheduled to be sent late this month, a mission from the Kobe Chamber of Commerce and Industry will be dispatched in early December to study Burma's economic situation. Burma has proposed a plan to lease to foreign companies its state-run factories for textiles, timber, and agricultural and fishery products. In view of the Burmese Government's efforts to restore democracy, the Japanese Government is likely to restart providing funds to it under its official development assistance (ODA), which has been suspended since 1988. Such a government move is likely to facilitate medium and small Japanese companies' investment.

The Federation of Economic Organizations of Japan [Keidanren] sent its first mission to Burma last June, and the Software Economic Center [name as published] also sent its research team to Rangoon in October to study Burma's investment environment. The Kobe Chamber of Commerce and Industry is the first organization of its kind in Japan to send a study team there. In addition to visits to Burma's Chamber of Commerce and Industry and its Foreign Investment Council, the mission also plans to have individual business negotiations with local companies. It is probable that Japanese companies will begin full-scale businesses in Burma in the future.

The Burmese First Industry Ministry [FIM], in charge of light industries, has proposed to Japanese corporations 30-year lease contracts for land and factories in an industrial area in Tanrin, Rangoon City. At the same time, the FIM also is sounding out Japanese firms on their intention to cooperate in building a factory for leather products on a build-operate-transfer basis. The Second Industry Ministry, in charge of heavy industries, plans to make Burmese heavy industries export-oriented circles by leasing production facilities of state-run factories to foreign enterprises.

Companies in ASEAN nations, such as Singapore and Thailand, have taken the lead in businesses in Burma. Lately, however, Western countries have shown their growing interest in Burma as a newly emerging market in Asia. For example, the United States has begun political dialogues with the Burmese military junta.

Ministers Fail To Decide on New Military Aircraft

OW0612062794 Tokyo KYODO in English 0615 GMT 6 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO—Four key cabinet ministers failed Tuesday [6 December] to decide on what type of plane Japan should select for its next generation of multipurpose military aircraft, government sources said.

The ministers agreed to deal with the issue carefully, pending developments in Diet debates, while they promised to try to include the new plane, under its as-yet-undecided name, in the fiscal 1995 budget, they said.

During the meeting, Defense Agency Director General Tokuichiro Tamazawa said a panel of intellectuals has advised the purchase of the U.S.-made Gulfstream IV.

Finance minister Masayoshi Takemura suggested Japan does not necessarily have to buy the airplanes under the 1995 budget.

Also present at the four-way meeting were Foreign Minister Yohei Kono and Chief Cabinet Secretary Kozo Igarashi.

The House of Councillors cabinet committee has urged hearings in connection with the yet-undetermined aircraft, code-named UX. A decision whether to hold the hearings is not likely to be made before an ordinary Diet session convenes in January, parliamentary sources said.

Because of the anticipated hearings issue, some Defense Agency officials said it may be difficult to include the name of the new planes under the budget.

The Air Self-Defense Force wants to use the UX as a midair command base for transporting high-level officials and supervising military drills.

The agency reportedly picked the Gulfstream in August over two other candidates, France's Falcon 900 and the Challenger 601 of Canada.

French Prime Minister Edouard Balladur sent a letter to Japanese Prime Minister Tomiichi Murayama calling for a fair and transparent selection process, while Canadian Foreign Minister Andre Ouellet is also placing some marketing pressure on the Japanese Government.

The UX, expected to replace the current six-seat B-65, is said to cost 3 billion yen per aircraft.

Tokyo Said Wanting Abolition of Nuclear Arms

OW0712044394 Tokyo KYODO in English 0353 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—Japan will continue striving to have all nuclear weapons abolished and realize global disarmament, a government spokesman said Wednesday [7 December].

"Our view is clearly reflected" in a resolution submitted by Japan and adopted by a panel of the UN General Assembly last month on the ultimate elimination of nuclear arms, Chief Cabinet Secretary Kozo Igarashi said at a news conference.

"In line with this, we wish to continue specific efforts to have nuclear weapons removed and achieve disarmament," he said.

Igarashi sidestepped a question on whether the use of nuclear weapons is a violation of international law, saying only, "Our basic stance is clearly stated in the resolution."

Concerning Japan's abstention last month from voting on a UN resolution urging the International Court of Justice to make judgments on the legality of the use of nuclear arms, he said the move was intended to avoid a schism between nations that have nuclear weapons and those that do not.

"What is the best way to actually grope for disarmament? We should push for this on the basis of the resolution we submitted and won approval from most of other countries," Igarashi said.

A total of 140 countries voted for the Japanese-proposed resolution with no opposition from any country, although eight countries abstained—Brazil, Britain, Cuba, France, India, Israel, North Korea and the United States.

Except for Cuba, the other seven possess or are suspected of trying to possess nuclear weapons.

Human Rights Information Center Opens in Osaka

OW0712040894 Tokyo KYODO in English 0327 GMT 7 Dec 94

[FBIS Transcribed Text] Osaka, Dec. 7 KYODO—A center dedicated to information and research on human rights issues in the Asia-Pacific region opened Wednesday [7 December] in Osaka.

The Asia-Pacific Human Rights Information Center will conduct studies, hold seminars, and publish information and books on human rights issues in order for Japan to make a positive contribution to solving human rights problems in the region, center officials said.

At an opening ceremony held Wednesday in Osaka's Minato Ward, the center's chairman, Kinhide Mushakoji, a professor at Meiji Gakuin University, said he hopes that by providing and sharing information the center "can build a framework in which to protect the human rights of all people in the Asia-Pacific region."

The center is open to the public and will be stocked with materials published by the United Nations and nongovernmental organizations (NGOs) as well as information on the culture of various countries.

The officials also announced "Hurights Osaka" as the center's nickname, selected from among names submitted by the public. "Hurights" is a combination of the words "Human" and "rights."

A commemorative forum attended by Mushakoji and Thomas McCarthy, senior adviser to the UN High Commissioner for Human Rights, on the theme of the "Universal Value of Human Rights" was also held Wednesday afternoon at the center.

The center was created through funding by the Osaka prefectural and city governments and the Buraku Liberation League, an organization working to eliminate discrimination against a minority of Japanese citizens.

MOFA Criticized About Comfort Women Issue

OW0712141694 Tokyo MAINICHI SHIMBUN in Japanese 7 Dec 94 Morning Edition p 30

[FBIS Translated Text] It was learned on 6 December that the Ministry of Foreign Affairs [MOFA] had given a false statement about a final report on former comfort women issued by the International Commission of Jurists (ICJ; headquartered in Geneva). In the report, the ICJ approved former comfort women's right to seek individual compensation from the Japanese Government.

The MOFA was recently asked to attend a ruling parties' meeting on comfort women issues, where it said: "We have not received the final report." People concerned with the issues lashed out at the MOFA, saying: "The ministry is intentionally concealing information on the subject." The ICJ is to send investigators to Japan as early as 7 December to meet with and hear opinions on the issue from Foreign Minister Yohei Kono and Chief Cabinet Secretary Kozo Igarashi. It is possible that the Japanese Government's attitude on the comfort women issue will invite international criticism.

The ICJ is a nongovernmental organization. It is regarded as the highest authority on international law on human rights. ICJ members planning to visit Japan are Delver Parak [name as published], who is in charge of Asian affairs, and Suneharu Paranjape [name as published], an investigator in charge of the comfort women issue. A visit to Tokyo by ICJ Secretary General Amada Dyen [name as published] is also under consideration.

The Japanese Government has asserted that the comfort women issue was resolved upon the conclusion of a Japan-ROK accord on compensation claims and a Japan-Philippines accord on reparation. The ruling parties may also try to settle the issue by establishing a "private fund." However, the ICJ final report issued on 22 November noted: "These two agreements cannot deny the comfort women's right to seek individual compensation."

According to people concerned, at a 25 November meeting of the ruling parties' subcommittee on comfort women issues, the MOFA said: "The Japanese Government has not received the ICJ final report" and "the ICJ compiled the report without hearing the Japanese Government's opinions." Because private organizations filed complaints about the MOFA attitude, subcommittee Chairman Tsutomu Takebe (a Liberal Democratic Party member), at a 2 December meeting, urged the ministry to "send a letter of apology to the ICJ."

After the meeting, members of a project team in charge of dealing with post-war problems and coordinating opinions within the ruling parties on the comfort women issue asked the MOFA to explain itself. In reply, a MOFA section chief reportedly said: "The report was received on 23 November the day after the ICJ released it. However, it was left untouched." He also said: "Although we said the ICJ had compiled the report without hearing the Japanese Government's opinions, it was our misunderstanding. We did not know a MOFA Asian Affairs Bureau counselor had met with ICJ members."

Commenting on the MOFA attitude, Satoshi Uesugi, director of a "Japan's war responsibility research center" that is tackling postwar compensation issues, said: "I wonder why the MOFA does not want to give accurate information to politicians. It is improper to make conclusions without a thorough argument on the ICJ report."

In 1985, the ICJ dispatched a fact-finding team to Japan for the first time to investigate issues concerning mental patients' human rights. After the investigation, it submitted a report to the United Nations. Taking this seriously, the then Nakasone Cabinet began a review of the Mental Hygiene Law and enacted the Mental Health Law in 1987.

The MOFA recently told reporters: "It is inappropriate for the government to give official comments on the report because it was compiled by a nongovernmental organization."

Government Urged To 'Cooperate'

OW0712140894 Tokyo KYODO in English 1319 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—A panel of the three ruling coalition parties urged the government Wednesday [7 December] to cooperate with a private fund aimed at paying redress to former 'comfort women' who were recruited as sex slaves for Japanese soldiers during World War II.

The project team, formed by the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake, is studying possible measures for Japan to atone for its overall wartime crimes.

The team approved a plan to set up a private-sector fund to pay consolatory money to the wartime sex slavery victims, and to urge the government to "cooperate as much as possible" with the fund, including possible payments toward the fund.

The project team's subcommittee on the comfort women issue agreed Tuesday to call on the government to shoulder as much of the fund as possible, in effect urging the government to pay individual compensation to the women.

However, the project team decided Wednesday to ask the government to "cooperate," after Chief Cabinet Secretary Kozo Igarashi reiterated to the group the government's policy of not paying compensation to individuals.

Kaifu Elected Head of New Opposition Shinshinto

OW0812103194 Tokyo KYODO in English 1028 GMT 8 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO—Former Prime Minister Toshiki Kaifu on Thursday [8 December] won a leadership race for the new opposition party Shinshinto (New Frontier Party), defeating two other contenders.

In a poll by members of Shinshinto, Kaifu received 131 votes, securing a majority of 214 votes cast. Former Prime Minister Ttutomu Hata got 52 votes and Democratic Socialist Party Chairman Takashi Yonezawa garnered 31 votes.

Shinshinto, which has rallied members of most opposition parties and groups except the Japanese Communist Party, is set to be formally launched Saturday to rival the current tripartite ruling coalition of the Liberal Democratic Party, the Social Democratic Party [Social Democratic Party of Japan - SDPJ] and new party Sakigake.

More on Kaifu as Shinshinto Head

OW0812115994 Tokyo KYODO in English 1140 GMT 8 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 8 KYODO—Former Prime Minister Toshiki Kaifu was elected the first head of the grand opposition party Shinshinto (New Frontier Party) set to be inaugurated Saturday and throw down the gauntlet to the tripartite coalition government.

Kaifu, 63, won the three-way election among all lawmakers joining Shinshinto, trouncing Former Prime Minister Tsutomu Hata, 59, leader of the leading opposition party of Shinseito, and Takashi Yonezawa, 54, chairman of the Democratic Socialist Party (DSP).

"I will take the lead and work my fingers to the bone...I seek your cooperation so we can work and move forward together," Kaifu told the session shortly after being elected as head of Shinshinto.

In the vote at a session of the General Assembly of the new party preparatory committee, Kaifu collected 131 of 214 valid votes cast, compared with Hata's 52 and Yonezawa's 31.

Under election rules, Kaifu, who secured a majority of votes in the ballot, was automatically appointed head of the new party, which will bring together all major non-communist opposition forces.

Another key post, that of secretary general, fell on Wednesday into the hands of Ichiro Ozawa, the master architect and strategist of the new party, as he was the only person to have filed candidacy for the No. 2 post.

"I feel very honored to have been given the important post. But I am not sure if I can live up to your expectations, because what lies ahead for our new party is a host of serious challenges," Ozawa said.

Kaifu, prime minister from 1989 to 1991 at the head of a Liberal Democratic Party (LDP) government, broke away from the LDP in June this year and lost a bid for the premiership to Tomiichi Murayama of the Social Democratic Party (SDP) [Social Democratic Party of Japan-SDPJ].

He bolted from the LDP in protest at the LDP leadership's decision to support Murayama as prime minister. Murayama became Japan's first socialist premier in 47 years, leading the three-party coalition comprising the LDP, SDP, and new party Sakigake.

Although its first leader was chosen through an open and democratic method of election, and not through the customary backroom talks, Shinshinto could well set sail on rough seas, political sources said.

As the debate over who should head the new party provoked an internal rift, it is not certain if Shinshinto can preserve its unity in its attempts to snatch power from Murayama's coalition, they said.

Shinseito Divided Over Choice of Shinshinto Head

OW0812102594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Dec 94 Morning Edition p 3

[FBIS Translated Text] Shinseito [Japan Renewal Party] has practically been divided into a group led by party head Tsutomu Hata, and another group led by Secretary General Ichiro Ozawa, due to a dispute over the choice of Shinshinto [New Frontier Party] president. The two groups are both engaged in frenzied activities to garner majority support for Hata and former Prime Minister Toshiki Kaifu, respectively.

Many neutral Diet members, out of concern that a split resembling the breakup of the former Takeshita faction of the Liberal Democratic Party might occur, are inclined to support Hata, claiming: "It would be a matter of course for Shinseito members to support Mr. Hata as president and Mr. Ozawa as secretary general." However, the Ozawa camp is waging a counteroffensive in its efforts to "make Kaifu president." The result of this is still unpredictable.

At its advisers' meeting on 7 December, Shinseito affirmed "maintaining unity." However, even Deputy Secretary General Kozo Watanabe, who exerted every effort to effect a reconciliation between Hata and Ozawa, had to face the reality in the party, and announce that party members were free to cast their votes, saying they "will not be restrained by the party's decision."

The prominent supporters of Hata include: Keiwa Okuda, Shinseito adviser who worked for Hata's nomination; Koichiro Aino, former director general of the Economic Planning Agency; and other senior and mid-ranking members; plus the "Alliance of Young Members for the Creation of Responsible Politics" led by Shigeru Ishiba. At a general meeting, the Liberal Party also decided to support Hata. Okuda started to canvass votes at his office near the Diet building on the morning of 7 December. He seems to be sure of "getting at least 60 votes," including the votes of a majority of Japan New Party members. However, he appears to be having a problem winning Komei Shinto's support. If the election requires a runoff balloting, even though Okuda is counting on the support of a majority of Democratic Socialist Party members, the Hata camp believes: "It is still necessary to further expand our forces in Shinseito."

After announcing his candidacy, Hata told reporters: "I am very much encouraged by the support of many colleagues." However, he also added: "It is inherent in an election that someone wins and someone loses." This shows that he did not decide to run with absolute confidence of victory.

On the other hand, Ozawa set up camp on 7 December in an hotel room overlooking the Shinseito headquarters where Hata is based. He has continued to summon Diet members close to him, such as Shinseito executive secretary Keisuke Nakanishi. At first, his close aides were expecting a situation in which Ozawa himself would not run as candidate for secretary general, and would take up the post later upon the request of Kaifu, who would be elected without a vote—through consultations. However, since Hata had decided to run, they were suddenly busy collecting endorsements for Ozawa's candidacy.

While Ozawa himself has not spoken about how he feels, according to his close associates, "he prefers Mr. Kaifu as party president over Mr. Hata, with whom he has parted ways." On the evening of 7 December, Ozawa went to one of his favorite restaurants near the Diet to confer with Toshio Yamaguchi of the Association of Liberals [Riberaru-no-Kai], after which he returned to the hotel room and worked on the Shinshinto presidential election late into the night.

Most members of the "Alliance of Young Members" who endorsed Hata's candidacy have also endorsed Ozawa. Through its links with these members, the Ozawa camp is telling them: "The open election you hoped for is going to be held. As Mr. Ozawa is sure to become secretary general, it is logical to elect the president from another party." It is trying to persuade them to vote for Kaifu on 8 December.

LDP's Kato Discusses Economy, Budget Formulation

OW0712142594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Dec 94 Morning Edition p 5

[Interview with Koichi Kato, chairman of the Liberal Democratic Party Policy Research Council, by unidentified NIHON KEIZAI SHIMBUN reporter; place and date not given]

[FBIS Translated Text] [NIHON KEIZAI SHIMBUN] In connection with recent economic trends, how do you characterize the 1995 budget?

[Kato] The economy is getting better, but it has not yet fully recovered. The budget should boost the economy's recovery. The yen's appreciation and deindustrialization are more serious problems. I think the nation is getting ready for serious discussions on structural problems in the Japanese economy. I think the 1995 budget will be designed to trigger such nationwide discussions.

[NIHON KEIZAI SHIMBUN] To achieve those objectives, what will be the changes in the 1995 budget?

[Kato] Taking into account new economic structures, it is necessary to focus on creating new technology. We need to find new frontiers for the Japanese economy. The budget should emphasize science, technology, and information because those are centerpieces of industrial infrastructure.

While the government has been calling for a livelihood-oriented economy, it is hard for us to know what this ambiguous term means exactly. We should review the necessity of individual public projects.

[NIHON KEIZAI SHIMBUN] Are you planning to review public work budget allotments?

[Kato] I would like to do that as much as possible. All dietmen are urging larger shares in the budget, and nobody says "allotment for my project can be left as it is, or made even smaller." They need to be able to make flexible decisions. I know it is not very easy work, but I want to try.

[NIHON KEIZAI SHIMBUN] Yet, it appears most budget requests from the ruling parties are related to interests of individual dietmen, such as farm aid and railway construction projects. What is your comment on that?

[Kato] We should thoroughly discuss the prioritization, focus, and objective of each project to make the most of limited revenues.

[NIHON KEIZAI SHIMBUN] The so-called zoku dietmen [dietmen's groups with special interests] of the Liberal Democratic Party [LDP] are again gaining power...

[Kato] Ruling coalition policies are determined based on agreements among the three ruling parties. I believe the three-party coalition's presence effectively prevents activities of zoku politicians. In fact, all three parties are seemingly frustrated with concessions they had to make regarding the fiscal 1995 tax system reform.

[NIHON KEIZAI SHIMBUN] Do you think politicians can work out a well-designed budget from broader viewpoints?

[Kato] Until now, the ruling parties have been making expenditure requests only, letting the Ministry of Finance [MOF] consider budget allotments. I think this is the time to reconsider such a practice. Finance policy has two aspects: to urge expenditures and to consider revenues in consultation with taxpayers. As long as responsibility for the difficult aspect of financial policy is placed on the MOF, politicians cannot say no to the MOF.

The government owes 201 trillion yen [Y] to people holding national bonds, and, in addition, it has hidden debts amounting to approximately Y60 trillion. As a member of one of the ruling parties, I am really embarrassed that the government's general account owes Y800 billion to the public auto insurance funds. Politicians must become aware of the need for well-balanced revenues and expenditures. In the long-range, we will have to formulate legislation like the Gramm-Rudman-Hollings Act of the United States. I am discussing this issue with other coalition policymakers.

[NIHON KEIZAI SHIMBUN] The increase of the consumption tax rate was determined on the conditions of expenditure reduction and administrative reform. Does the government have any tangible programs in the 1995 budget?

[Kato] One will be reduction of public officials. I personally think this policy should be applied not only to national government officials, but also to employees of government-affiliated special corporations.

[NIHON KEIZAI SHIMBUN] It is said that politicians see increasing possibilities of an early lower house dissolution, and that they are beginning to seek measures to make their voters happy. Do you agree with that?

[Kato] Under the new single-seat constituency system, an election will become a dead-or-alive question for politicians, and this may make politicians more conscious of local interests. In that case, politicians may not ask voters to make sacrifices in tax reform and deregulation policies. Politicians and parties should be very careful.

[NIHON KEIZAI SHIMBUN] Under such circumstances, are the coalition parties able to coordinate various budget requests?

[Kato] I think so. We will try our best.

Planned Deregulation Requests Top 1,300 Areas

OW3011090794 Tokyo KYODO in English 0853 GMT 30 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 30 KYODO—Overseas and domestic requests relating to the Japanese Government's planned deregulation program cover 1,300 areas, including import procedures claimed by some sectors as impeding trade, the government said Wednesday [30 November].

Of the requests, more than one third are related to regulations on imports as well as housing and land, said the Cabinet Councilors' Office on External Affairs and the Management and Coordination Agency.

The offices released a list of such requests that were sent between mid-September and mid-November by various sectors, including the Government of the United States, the European Union, and domestic and foreign business organizations.

The government's deregulation enforcement task force, headed by Prime Minister Tomiichi Murayama, is scheduled to compile a five-year deregulation plan by the end of March.

Earlier in the day, the deregulation task force held its third meeting with Japanese and U.S. economic organizations.

The list has been submitted to the task force for further examination, officials of the government offices said.

The requests have been categorized into such fields as housing and land, information and telecommunications, energy, employment and labor, pollution and the environment, disaster prevention and security, transportation, and distribution, as well as banking, securities and insurance.

Among the requests, 230 were related to regulations on imports such as for automobiles and foodstuffs, according to the officials.

These call on the government to accept test results for automobiles in exporting countries, and to ease requirements for approving a type certificate that allows gross exports of a vehicle model to Japan.

They also call for simplifying import procedures for foodstuffs, the officials said.

As for housing and land, 220 requests seek easier rules on, for example, imports of houses and on building standards.

About 90 requests were related to the information and telecom field, with a typical one asking for liberalizing telephone charges, and scrapping a rule dividing domestic and international phone services.

Another 90 also demanded dismantling or easing rules on large-size retail stores, food controls and liquor taxes, the officials said.

BOJ Governor Mieno Discusses Economic Outlook

952A0103A Tokyo YOMIURI SHIMBUN in Japanese 24 Oct 94 pp 9-10

[Interview with BOJ Governor Yasushi Mieno by reporters Kenichiro Oseki and Ikuya Shigeta; place and date not given: "Do Not Fear Deindustrialization; Carry Out Industrial Reform"]

[FBIS Translated Text] **Support "Entrepreneurial Spirit" by Preparing an Environment by Such Means as Relaxing Regulation**

Yasushi Mieno, governor of the Bank of Japan, recently granted a YOMIURI SHIMBUN interview and suggested which problems the Japanese economy should overcome as it moves toward the 21st century. Governor Mieno said that deindustrialization is "not worth fearing" if there is a flourishing entrepreneurial spirit and that the dynamism of the Japanese economy will not be lost. He said it is therefore necessary for the government and the Bank of Japan to prepare an environment that will bring out the vitality of the Japanese economy. Furthermore, he also touched upon international currency problems, saying such things as that we should maintain a floating system. It is very rare for the governor of the Bank of Japan to respond to an interview over a long time and make a broad range of suggestions, but it can also be called a manifestation of a decision that the Bank of Japan will indicate a positive course toward resuscitation of a Japanese economy which is standing at a crossroads. (Interviewers: Kenichiro Oseki and Ikuya Shigeta)

[YOMIURI SHIMBUN] Being struck by repeated surges of a strong yen, there are worries about deindustrialization. Would you comment on that?

[Mieno] It is true that a shift of production overseas and procurement of parts overseas have increased, originating in the strong yen that began last year, but what people are surprisingly unaware of is that the trend toward shifting overseas began about 10 years ago, and is not something that appeared suddenly. The rate of overseas production for manufacturing industries has now become 6 percent, up from 3 percent in 1985.

As background to the advance of the shift to overseas, the strong yen is only one clue. One must not forget that a great change in the world economy lies behind the problem. In particular, Asia is rapidly headed toward industrialization and creating markets. The result is that competition in labor-intensive sectors will intensify, so Japan's industries will be driven to change to a capital-intensive industrial structure with higher added value.

Grappling with this task will, of course, also be accompanied by hardship for the present. But when we look at it for the long term, reorganization of the industrial structure will lead to building an efficient production system for the economy as a whole and to new growth. The word deindustrialization has some kind of degenerative ring to it, but we should recognize that such things as shifting overseas will give birth to trends which lead to higher advancement of industry.

It is a question of how to shift smoothly from low-productivity fields to ones with high added value, but I think that by nature capital and manpower have the character of naturally flowing in that direction.

I have been with the Bank of Japan for 47 years and have seen the postwar economy in great detail, and Japan's industrial circles have extricated themselves from all sorts of ordeals. At those times the outlook was often pessimistic, but each time industrial circles repulsed it, and gradually became highly advanced. I think that kind of thing will happen in the future also.

Even though I say that, there are also people who say that this time the situation is slightly different because such leading Japanese industries as autos and electrical machinery have become mature industries, and, moreover, a new leading industry is not clearly visible.

If such is the case, I think all the more that the most important thing is to return to the source of the vitality of a market economy, and prepare the kind of environment in which the vitality of the private sector will be demonstrated to its highest limit and in which technological innovation will occur. We should not fear deindustrialization; we should think that it is a necessary trend, and that it will become new development.

[YOMIURI SHIMBUN] There is also an increase in imports from Asia, and the term "price destruction" has also come into use. The Japanese economy also has fears of deflation. What is your view on that?

[Mieno] The term price destruction is not suitable. If you destroy something, nothing remains. The term price revolution is better. Be that as it may, the commonly used term price destruction has several sides. One is correction of the abnormal prices of the bubble economy era, the second is inexpensive imported goods from Asia, and the third is that, as a result of technological innovation at the production and distribution stages, it became possible to provide goods at low prices.

Consequently, the influence which price destruction exerts on business conditions is complicated. There is also a challenge like the third item, and it is impossible to come to a conclusion as to whether that is a deflationary trend. Rather than that, I want to pay attention to how the economy as a whole has progressed while price destruction has advanced.

Fortunately, business conditions are heading toward recovery. When I look at business conditions as a whole, I think businesses are improving as they handle the situation in one way or another.

On the other hand, on the matter of the relationship to an Asia which provides inexpensive manufactured goods, it is not appropriate to grasp it as a win or lose "zero sum game." It is called "the East Asian miracle," but the result is that the pie of the entire world economy grew larger. Productive capacity will also increase and markets will also expand. It is unavoidable, and, moreover, necessary, that Japan build a new system of international division of labor based on that.

How should Japan change its own setup in order for Asia to enter a market economy, and for the world economy, including Japan, to continue to develop? There are three things to do.

First, we should support this kind of trend by improving access to the Japanese market. We must not make barriers (to entering the market) higher, and we must not become a bloc economy under any circumstances.

In addition, we should increase investment opportunities in Japan by promoting amplification of social capital and relaxation of regulation. Furthermore, it will also be important to create, by macroeconomic policy, an environment which will maintain stable growth without inflation.

[YOMIURI SHIMBUN] At a time of deindustrialization and price destruction we will also encounter aging. Will not Japan's growth rate decline?

[Mieno] Japan is facing major environmental changes which it has not experienced much up to now.

How the Japanese economy deals with that will be a problem for the medium term. The most important thing will be free action of companies and free choices of consumers. The key is to allow to be manifest, through that, the intrinsic capacity for technical innovation that a market economy possesses.

In order to do that, preparation of an infrastructure for a free and efficient market economy, and long-lasting growth without inflation are important. At the same time, we must not forget that the foundation of a nation's economic development is the ability of the people of the nation who are meeting those changes in the environment.

In short, what is needed is a flourishing entrepreneurial spirit. Japanese society is enthusiastic about education, and corporate education is also active. As the accumulation of long economic development, there is a broad stratum of mainstay and smaller companies with superior technical capability. When one considers that, the Japanese economy's dynamism is still sound. I am not pessimistic about future growth capability if we continue to attempt to prepare an environment in which private-sector vitality can be further activated.

[YOMIURI SHIMBUN] Will not the spirit of "making objects" be lost as the change to service industries advances?

[Mieno] It is a natural trend that the relative importance of nonmanufacturing industries grows as a nation's economy develops. Japan has been the world's "supply base for goods" for the past 20 years; even so, the proportion of gross domestic product (GDP) accounted for by secondary industries declined from 43 percent in 1970 to 37 percent in 1992. The proportion declined even when we were making objects with all our might.

This is influenced by the fact that when one attains a certain standard of living, (consumers') interests turn to things other than objects. It is inevitable that the need for information, communication, health care, and welfare increases.

But expansion of the relative importance of service industries does not immediately signify deterioration of manufacturing industries. We yield labor-intensive fields to developing countries and are making in Japan the precision parts that constitute the core and the capital goods that build parts. In such fields Japan has great weight in the world even today, and will not easily yield its position.

[YOMIURI SHIMBUN] Will we be forced to reconsider Japanese-style employment practices in that?

[Mieno] As Japanese employment practices, there exist the lifetime-employment system and the seniority system, and these two were formed in a rational manner, so to speak, predicated upon the industrial structure and labor-market conditions in the high growth of postwar Japan. But today, with the advent of an aging society and competition with the countries of Asia, change will probably also come to Japan's employment practices.

But the importance of Japan's kind of long-term employment has recently begun to be recognized anew in Europe and the United States. I am not saying it for that reason, but after all, stable labor-management relations are the foundation of management, so I suspect that the change to fluid employment will not progress in that drastic a manner. In any case, we must plan the kind of flexible (employment) system in which companies and workers can choose freely.

[YOMIURI SHIMBUN] It is also necessary for the government to set forth a vision of Japan's future economy.

[Mieno] The history of Japan's economy is that the government has indicated the course from, promotion of increased production in the Meiji era and the priority production system and doubling of income in the postwar period on down. Government initiative was effective.

But at the present stage, in which the economy is reaching the mature period, I suspect we have already graduated from the stage of receiving a vision from "Big Brother."

The role of the government and the central bank is to prepare the environment. There is no guarantee that the entrepreneurial spirit will flourish soon just because they prepared the environment. To say nothing of the fact that entrepreneurial spirit may have shriveled a bit during the bubble economy. But I cannot believe that the spirit itself is exhausted. Furthermore, a venue to draw out that vitality can be sought only in "market competition."

Therefore, what is important in the future is how, within the framework of a market economy, to continue to link concrete action with the energy directed toward solution of this kind of problem. Both the government and the private sector should realize this. For its part, the Bank of Japan will also do its utmost.

The Floating Rate System Is Realistic, But Substantive Economic Stability Is Most Important

[YOMIURI SHIMBUN] The extremely strong yen under the floating system is exerting a great influence on Japanese industry. What is the desirable international currency system for the future?

[Mieno] We did not shift to the current floating system because it is a good system. It is something that had to come into being because the fixed system collapsed. Over 20 years have passed since then. During that time short-term broad fluctuations occurred frequently. Even looking at it from the fundamentals (the basic conditions of the economy), there were also times when it was widely separated (from the substantive economy).

I know that there is a claim, based on this kind of current situation, that: "Particularly in regard to major currencies, there is a need to construct a new fixed-rate type of rate system."

But the environment that surrounds the world economy has changed greatly. Economies are becoming multipolar, and movement of capital inside and outside the country has become active. A revolution in financial technology because of computers has also advanced. Moreover, there were the two oil crises, and the former Soviet Union also collapsed. I think it is difficult to deal with things at a time of drastic change by a comparatively fixed-rate system.

If one tries to unreasonably suppress fluctuations in exchange rates, in the end, financial markets become confused and it becomes impossible to maintain the stability of the macro economy and micro company management. The confusion of the European exchange rate mechanism (ERM) in 1992 shows that plainly. In a world of drastic change it is difficult to discover a better, more mobile system that can replace the floating system.

In other words, it is realistic to consider how to plan for exchange stability under a floating system. In order to do that, the most one can do is for each nation to aim at a common goal of achieving growth without inflation, and deal with short-term wild swings by intervention.

But what I want to say at this point is that it is precisely the maintaining by each country of the stability of its financial environment and substantive economy which is the key to exchange stability; it is not a matter of each country's substantive economy being stable if exchange rates are stable.

[YOMIURI SHIMBUN] It has been said recently that Tokyo's financial markets are being hollowed out, and that the competitiveness of Japan's financial institutions is declining. Would you care to comment on that?

[Mieno] I think it is said because the share of world business accounted for by Japan's foreign exchange and stock markets has leveled off; a phenomenon has occurred of overseas financial institutions and securities companies shifting their Asian bases from Tokyo to Asian countries; the asset scale of the international departments of Japanese financial institutions has become smaller and so on.

It has been pointed out that behind this are such things as that Japanese business conditions were bad, that the financial and economic environment in which financial institutions have been placed because of the collapse of the bubble economy is bad, as is clear if one looks at bad loans, for example, and that, from the viewpoint of domestic and foreign users, Japan's financial and capital markets are inconvenient. The financial services industry is the foundation that supports the Japanese economy; it is troublesome that the capital market lacks vitality. Maintenance of vitality is an important task.

In order to grapple with that, measures that correspond with market needs are necessary; restudying from a wide viewpoint not only regulation in the narrow sense, but also such things as the tax system and accounting system is also included.

Another is that Japan's financial circles must devise a proper strategy concerning such things as derivatives. Finance, too, is an industry. It will not do to depend on "Big Brother." I hope financial circles will properly consider the allotment of management resources by the principle of self-responsibility.

[YOMIURI SHIMBUN] What are the tasks of monetary policy at a time when the structure of Japan's economy changes greatly?

[Mieno] Monetary policy, that is, the mission of the central bank, is stability of prices and of the financial system. Prices are not only stability of indices; we should plan sustained growth for the economy behind it looking at the medium to long term. That will be the same in the future also.

If we call the scale used in executing this mission a yardstick, it is vital that we continue to hold that yardstick firmly without bending, however great the changes. The more drastic the changes, the more important that is.

The situations confronting the Japanese economy always have different faces. The excess liquidity of the time of reconstruction of the Japanese Islands, the oil crisis, and the bubble economy are all different. We are required to make flexible and appropriate judgments at each new development of the economy while taking into consideration lessons from the past. Therefore, the yardstick must constantly be refined.

For example, such things as how to assign a rank to the money supply index. How to interpret economic trends from futures and options data. And how to promote improvement of a financial institution's balance sheet at a time when derivatives are expanding. One must not forget an international field of view in any of these improvements.

Furthermore, it will be important to have the public understand the yardstick. The public's trust is vital in executing monetary policy. Our yardstick will not be trusted by the public until we have it understood. I think we must strive still more in regard to this point.

Guaranteeing the Independence of the Bank of Japan: Revision of the Law Is a Task for the Future

[YOMIURI SHIMBUN] Ought not we increase the independence of the Bank of Japan in order to make monetary policy more effective?

[Mieno] Guaranteeing the independence of the central bank is necessary for stability of prices and of the financial system. Of course improvement of the law is all very well, but I think what is important in that aspect is, after all, that we go on winning the confidence of the public by accurate judgment of the situation and putting into effect active policies (by the central bank) that can withstand objective criticism.

The Bank of Japan Act is a law, written in katakana, that came into being under the wartime economy of 1942. To be sure, it also has many aspects in expression and so on that are unsuitable for today, and the government's authority to supervise the Bank of Japan is also extensive.

But in regard to policy on interest, the Policy Committee system came into being with the 1949 revision of the law, so it was established as an item over which the Bank of Japan has exclusive jurisdiction.

Recently, most European central banks took control of interest policy for the first time by revising their laws in connection with integration of the European Union (EU). That is not yet true of the Bank of England. In that sense, the Bank of Japan is in a comparatively advantageous position.

Consequently, I am not thinking of revision of the Bank of Japan Act as an "urgent task." But I think that a time when we take another look at it is bound to come in the future. At that time, too, we must not be hasty and careless. Because the Bank of Japan Act is the basic currency law, so we do not often have an opportunity to review it. We should ultimately obtain the public's understanding by exhausting debate from a wide range of viewpoints.

[Box, p. 9]

Suggestions for the Japanese Economy

- Do not fear deindustrialization; aim for new development by reform of the industrial structure.
- The key to future economic growth depends on the dynamism of a market economy supported by a flourishing entrepreneurial spirit.
- We have already graduated from the time in which government presents the vision. What government can do is such envirnment-creation as improving market access, amplifying investment in social capital and macroeconomic policies.
- A stable labor-management relationship is the foundation of management. The change to fluid employment will not be drastic.
- Even in the midst of great changes, the Bank of Japan will continue to firmly hold its own yardstick, and moreover, will strive constantly to improve it.
- Revision of the Bank of Japan Act is not an urgent task, but a time for review will come without fail. It should be done by obtaining the understanding of the public. [end box]

OECD: Nation's Economy Recovering 'Slowly'

OW0812065994 Tokyo KYODO in English 0615 GMT 8 Dec 94

[FBIS Transcribed Text] Paris, Dec. 8 KYODO—The Japanese economy appears to be slowly pulling out of its worst recession since the first oil crisis, with both monetary and fiscal policies supporting the recovery, according to a report by the Organization for Economic Cooperation and Development (OECD) released Thursday [8 December].

In its latest economic survey, the OECD said that "after two years of recession, the Japanese economy appears now to have entered a phase of gradual recovery."

"Private consumption, encouraged by the income tax cuts announced in February and by the stabilization of the labor market, appears to be leading the turnaround of activity," the report said.

The OECD Secretariat put the gross real gross domestic product (GDP) in 1994 at 1 percent, a slight upward revision from the organization's June estimate which foresaw 0.8 percent growth this year.

Japan's GDP growth in 1995 is expected to be about 2.5 percent [words indistinct] tax cuts are extended beyond the current fiscal year, the report said.

The 25-nation economic organization cited the yen's appreciation as the major risk to emerging recovery, saying, "a sustained appreciation of the yen might adversely affect the pace of the upturn," because it could force Japanese companies to further restructure their balance sheets.

The Paris-based organization also said monetary policy should continue to be geared toward promoting sustained noninflationary growth.

While further easing of interest rates could help alleviate pressure on the exchange rate and generate faster monetary growth and credit expansion necessary to sustain the recovery, additional monetary relaxation appears less necessary now that economic growth seems to be strengthening, it said.

The OECD report also said emphasis of fiscal policy should shift toward reducing the growing budget deficit as the recovery gathers momentum, especially in view of increasing demands for higher public investment and social welfare expenditures in the future.

It gave high marks to Japan's efforts over the past five years to reduce the government's role in the economy, such as abolition of regulations on time deposit interest rates, easing controls on corporate bonds, strengthening enforcement of the Antimonopoly Law and changes in the Large-Scale Retail Store Law.

But despite such progress, "extensive regulations remain in agriculture, construction and many service industries," it said.

To speed up Japan's deregulation process, "a different approach" may be necessary, the OECD said, citing as a useful basis a proposal in a report compiled by Gaishi Hiraiwa, former chief of the Federation of Economic Organizations (Keidanren). The report called for "freedom in principle, regulations only in exceptional cases."

In the latest survey, the OECD analyzed in detail Japan's land and property policies as one of the priority areas for further deregulation, criticizing the government policies as seriously exacerbating the problem, it said.

Additional steps should be taken to achieve the government's goal of bringing down the cost of a high-quality housing to five times average annual household income, the report said, while suggesting the easing of regulations on the construction industry to lower costs.

Coalition Compiles Draft of Reform Policy

OW0812005194 Tokyo YOMIURI SHIMBUN in Japanese 7 Dec 94 Morning Edition p 1

[FBIS Translated Text] On 6 December, the ruling coalition parties worked out a draft of "Basic Policy for Reforming the Japanese Economic Structure," which will serve as mid-term guidelines for future economic policies. Specifically, the draft is positively discussing the industrial hollowing out which the Japanese economy is now facing. To deal with this problem, the draft says top priority must be given to correction of the disparities between domestic and overseas prices. Moreover, it states that the "Murayama administration's most important tasks" are 1) to expand new economic fields; and 2) to stabilize the employment situation by creating a dynamic labor market. Since the government intends to study an economic plan which will replace the "five-year plan to make Japan a lifestyle superpower" from fiscal 1992 through fiscal 1996, the ruling parties intend to use the draft as the basic guidelines for working out an economic policy named the "Murayama vision," which will be announced by the prime minister at the beginning of 1995.

The draft was worked out by the ruling parties' economic policy project team headed by former Posts and Telecommunications Minister Shunjiro Karasawa. Regarding the actual state of the economy, the draft expresses strong concern over the hollowing out of Japanese industry, which has been caused by companies' moves to shift their production bases overseas, and the deterioration of employment conditions following the industrial hollowing out. It stresses the need "to establish a new economic system which can cope with the coming era" of fewer children and more elderly citizens.

Analyzing the gap between domestic and overseas prices, the draft says: "The price gap is a major factor of the current situation in which the people cannot enjoy richness, and it also constitutes a cause of high production costs, restricting domestic corporate activities." The draft calls for promotion of deregulation efforts and strict application of the Antimonopoly Law.

North Korea

Paper Criticizes ROK for Military Procurement

SK0812045194 Pyongyang KCNA in English 0437 GMT 8 Dec 94

["Warmaniacs Precipitate Their Destruction"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—The Kim Yong-sam group recently held a "delivery ceremony" on the spot for the introduction of F-16 fighter-bombers produced by the American aircraft corporation Lockheed into South Korea from mid-December.

The South Korean puppets reportedly plan to purchase 12 F-16s by April next year and 120 by 1999.

Regarding this as another indication that the Kim Yong-sam group is more undisguisedly rushing headlong toward North-South confrontation and war, defying the trend of the time and aspirations of the nation, a NODONG SINMUN analyst today says:

Recently, the Kim Young-sam group betrayed its intention to hasten "combat power buildup" of the puppet army at faster pace, crying for the "expansion of independent defence power" after the transfer of "peacetime operational control". Now it is massively introducing artillery radars, ground-to-air and ground-to-ground missiles and other attack weapons and military hardware of latest types from different countries. The puppets are hell bent on the "increase of the combat power" of the puppet airforce in particular. This is well illustrated by the fact that the puppets plan to introduce 120 F-16s from the United States following the purchase of 12 CN-235m military transport planes from Spain. The soon-to-be- introduced F-16 is a nuclear-capable fighter-bomber with ultra- modern electronic equipment and medium-range attack missiles and other weapons of latest types. It is not hard to guess that the South Korean puppets are introducing F-16s to unleash a new war at any cost in our land and inflict nuclear holocaust upon the nation.

For the purchase of combat equipment the Kim Yong-sam group lifted the military appropriations to more than 10,000 billion won this year and decided to increase it to 11,074,400 million won next year.

The Kim Yong-sam group which is heading for a fratricidal war against the trend of the time and the desire of the nation will meet its doom by inviting bitterer condemnation and curses at home and abroad.

CPRF Issues Letter on ROK Nuclear Development

SK0812043394 Pyongyang KCNA in English 1608 GMT 7 Dec 94

["CPRF on Nuclear Arms Development in S. Korea"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] made public an open letter on December 5 exposing the nuclear arms development which the South Korean authorities have accelerated behind the scene, while charging the North with nuclear development.

The letter consists of "The Taedok Complex Is a Nuclear Arms Development Centre," "A Corner of the Curtain Lifted To Reveal Manufacture of Nuclear Weapons" and "The S. Korean Authorities Must Show Their Nuclear Transparency."

The letter says:

The South Korean authorities are trying to cover up the existence of a nuclear arms study and development centre, claiming that the Taedok Complex, the general headquarters of nuclear arms development, is merely "a study centre."

The Taedok Complex has been used only for the development of nuclear weapons since it made its appearance as a base of the study and development of nuclear weapons from early in the 1970s according to the traitor Pak Chong-hui's nuclear arms development program. It was refurbished by "the plan for the promotion of the construction of the Taedok Study Complex" put forward by the Chon Tu-hwan group in August 1984 and by "the Taedok Declaration" of the No Tae-u group in July 1990.

The complex with South Korea's "Institute of Atomic Energy" and "Institute of National Defence Science" as its mother bodies has turned today into a nuclear arm development centre with a base of the extraction of fissionable materials, a nuclear arms study base, a nuclear detonating test ground, a nuclear bomb assembling base, etc.

"The Institute of Atomic Energy," a base of fissionable material extraction covering 401,000 pyong in Tokjin-dong, Yusong district, Taejon city, has a nuclear fuel company, a nuclear fuel fabrication factory, a multipurpose research reactor, post-irradiation test facilities which are reprocessing facilities, etc. They are a perfect system of plutonium production.

"The Institute of National Defence Science," which was established in Yusong district in 1970 as a base of the study and development of nuclear weapons and their delivery means, has been in charge of the designing of nuclear bombs and the development of guided missiles with a team of nuclear missile development and a team of the study of rocket propellant, warheads and electronics as its pivotes.

Underground detonating test bases were built in different places of Chaun-dong between "the Institute of Atomic Energy" and "the Institute of National Defence Science."

The South Korean authorities, out of the "strategic consideration" that they should possess nuclear weapons before the international observation concerning nuclear non-proliferation was intensified, formed a specialists' team for nuclear arms development and established organs for the study and development of nuclear weapons. Then, they introduced fissionable materials and facilities necessary for the manufacture of nuclear weapons through the black market.

They also introduced a 1/1,000,000 second camera and carried out detonating tests in real earnest at the underground facilities.

The traitor Pak Chong-hui, on the way back to Seoul from his "inspection" of the site of explosion at the Iri railway station in November 1977 told "the Defence Security Commander" accompanying him that "five percent remains to be done in the nuclear arms development." In January 1979, he summoned "National Assemblyman" Son U-yon who was former "secretary in charge of information at Chongwadae [presidential offices]" to Haeundae, Pusan, and said he had received a report from the director of "the Institute of National Defence Science" that a nuclear bomb would be completed in the first half of 1981. And he issued "a secret order" to Son U-yon to work out "a statement" to be published when the domestically developed nuclear weapon would be opened to the public on October 1, "day of the ROK Army."

The traitor Chon Tu-hwan, who had fully acquainted himself with the progress of the nuclear arms manufacture which was near completion, while serving as "the chief of the headquarters of investigation of the Joint Chiefs of Staff" when Pak Chong-hui was assassinated, began readjusting and [word indistinct] nuclear- related organs and going over to the industrial stage from the stage of test nuclear arms development as soon as he came to power.

The traitor No Tae-u, who succeeded Chon, put greater spurs to the nuclear arms development, while raising outcries over "the suspicion of nuclear development by the North." And the Kim Yong- sam group is now promoting the nuclear arm development and nuclear armament in a more crafty way, covering them up with the "civilian" veil.

The nuclear arms development and nuclear armament in South Korea are being accelerated in secrecy through the designing at "the Institute of National Defence Science," the extraction of plutonium from the pressurized heavy water reactor and the multipurpose research reactor, the reprocessing at the post-irradiation test facilities, the production of special explosives at "the Korea Explosives Group," detonating tests in Mt. Kumbyong [as received], the manufacture of accessories and machines at the Korea Heavy Industries and the Chang-won Machines Co,, Ltd., and other companies the assembling of nuclear bombs at the underground [words indistinct] Mt. Kyeryong.

The nuclear issue of South Korea is not a nuclear suspicion based on supposition or speculation but an issue of the practical past and present with several dozen years of nuclear arms development. So, the South Korean authorities are under an unavoidable, absolute obligation to guarantee their nuclear transparency for the past, present and the future. If they are to guarantee their nuclear transparency, they must, first of all, fully open to the world public the truth of their past nuclear development.

They must clarify historically and concretely all the documents and facilities for nuclear development which they have promoted till this date, the nuclear materials, destructive devices, instruments, parts, the progress of manufacturing and their present location.

They must also clearly manifest their willingness to freeze nuclear arms development for the purpose of guaranteeing their nuclear uprightness for the present and future.

They must take measures for scrapping and sealing up the Wolsong pressurized heavy-water reactor, the Taedok multi-purpose research reactor, the post-irradiation test facilities and all other related means which are abused for the development of nuclear weapons, in keeping with the good-intentioned measures of the North.

The South Korean authorities, instead of resorting to the plots to hinder a peaceful solution of the nuclear issue, must show the transparency of their nuclear development for the past, present and future.

Though the nuclear arms development accelerated by the South Korean authorities for nearly 20 years since they joined the nuclear non-proliferation treaty has been disclosed actually and materially, the International Atomic Energy Agency [IAEA] has never called that in question, let alone a special inspection or sanctions against South Korea. The IAEA resorting to "double standards" and partiality is wholly to blame for the systematic development of nuclear weapons by the South Korean authorities, which has reached a dangerous stage today.

We strongly demand that the IAEA feel its unavoidable responsibility and turn to the principle of justice and equality and open to the public the truth of the development of nuclear weapons by the South Korean authorities before it is too late and take steps to get the nuclear transparency guaranteed for the past, present and future.

The South Korean authorities must lend an ear to the voices of the nation and world conscience, stop the development of nuclear weapons and clarify nuclear transparency without delay.

SKNDF Bill of Indictment on Kim Yong-sam

SK0712124494 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 6 Dec 94

[FBIS Translated Text] According to a Voice of National Salvation [VNS] broadcast from Seoul, the South Korean National Democratic Front [SKNDF] Central Committee announced a bill of indictment to expose and denounce never-to-be-pardoned antinational great crimes [panminjokchoggin mango taejoe] of the Kim Yong-sam group, which has been frantically running amok to block and rupture [patan] DPRK-U.S. talks.

The bill of indictment reads as follows:

Bill of indictment of the SKNDF Central Committee

The framework agreement, which was settled and announced 17 months after the DPRK-U.S. talks began, is a historic milestone with great significance in rescuing the Korean peninsula from nuclear commotions and in resolving the issue of our nation independently and peacefully.

Our SKNDF, together with the patriotic masses, expresses admiration and pays respects to the North for its independent patriotic action to defend the nation's independence through its devoted struggle which provided a favorable phase for peace and peaceful reunification of the nation. The SKNDF announces this bill of indictment to fairly count and condemn the never-to-be-pardoned great antinational crimes of the Kim Yong-sam group, which has been fanatically running amok to block and rupture the DPRK-U.S. talks.

1. Maneuvers to disturb the first and second rounds of DPRK-U.S. Talks:

The Kim Yong-sam regime, which was inaugurated at a time when the DPRK-U.S. talks, which were aimed at peacefully resolving the nuclear problem on the Korean peninsula, were visible, ran off the position of national independence from the first step, and viciously maneuvered to block [karomakki wihae] DPRK-U.S. contact and dialogue while following outside forces.

As an agreement was reached on holding the first round of the DPRK-U.S. talks in New York early June of last year through DPRK- U.S. contacts, the Kim Yong-sam group ran amok to dissipate [musan] the holding of the talks by lending strength of outside forces.

With a view to blocking DPRK-U.S. talks, the Kim Yong-sam group waged behind-the-scenes negotiations for the adoption of a resolution calling on North Korea to accept nuclear inspections during the Board of Governors' meeting of the International Atomic Energy Agency [IAEA] held from 18 March last year. On 23 March, the Kim Yong-sam group hurriedly dispatched Foreign Minister Han Sung-chu to the United States, Japan, and the UN Headquarters, and maneuvered for the adoption of a resolution by the UN Security Council. On 25 March, it begged former chairman of the U.S. Democratic Party to make efforts to establish an international cooperative system with the ROK, the United States, and Japan as the main axis.

On 3 June, following the convocation of DPRK-U.S. talks, Kim Yong-sam made antinational venomous remarks that he would not shake hands with a partner possessing nuclear arms, thus attempting to disturb the DPRK-U.S. talks.

The first round of DPRK-U.S. talks were held successfully and the historic DPRK-U.S. joint statement was announced despite frantic interference maneuvers of the Kim Yong-sam group.

Displeased with this, the traitor Kim Yong-sam fanatically maneuvered to block the second round of DPRK-U.S. talks by flattering and begging his masters.

In an interview with THE NEW YORK TIMES on 1 July, Kim Yong-sam said he hoped that the United States would not be dragged by North Korea any more during the second round of talks, thus pulling his masters' leg with impulsive utterances. He also made presumptuous remarks that North Korea is taking advantage of the talks with the United States to gain time to develop its nuclear program, thus attempting to block his masters' way.

The Kim Yong-sam group, fretful for the second round of DPRK-U.S. talks near at hand, begged U.S. President Clinton, who visited the ROK in July of last year, not to advance [chinjon sikiji maradallago] DPRK-U.S. talks, thus revealing its filthy shape as the nation-selling flunkeyist traitor.

The second round of talks were held between North Korea and the United States despite the persistent hindrance of the Kim Yong-sam group, and an agreement was reached on holding the third round of talks within two months.

This being the case, the Kim Yong-sam group ran amok to harm fellow countrymen by lending strength of the United Nations, hoping much from it. The Kim Yong-sam group made absurd remarks that sanctions by the UN Security Council would be taken irrespective of the content of the DPRK-U.S. agreement, and added that further concessions should not be made and what is needed at present is only sticks, including sanctions by the UN Security Council, and so forth. Thus, it frantically ran wild in an attempt to realize the UN sanctions.

While fawning on its U.S. and Japanese masters first, on the IAEA second, and on UN forces last, the Kim Yong-sam group frenziedly ran wild to block the DPRK-U.S. talks with begging diplomacy. Because of its persistent disturbance maneuvers, the third round of the DPRK-U.S. talks finally fell into the state of deadlock.

2. Maneuvers to disturb the progress of DPRK-U.S. talks.

With the United States beginning to turn toward the fair package solution method put forward by the North, the DPRK-U.S. talks entered a new phase of progress after going through vicissitudes.

However, the Kim Yong-sam group—the nation-selling flunkeyist group—again edged itself into this, and barred the progress of DPRK-U.S. talks. Thus, it brought the situation to a crisis of nuclear turmoil by instigating outside forces.

1) U.S. visit for blockade

When the United States showed an affirmative response, stating that it has the readily willingness to make efforts for a package solution at the third round of talks on 12 November last year, Kim Yong-sam the puppet, quite embarrassed and upset, hastily embarked on the visit to the United States to disturb the package solution, claiming that the package solution could not be considered nor discussed at that stage. Kim Yong-sam, appearing before his master as an uninvited guest, entreated him to hold the third round of talks after the South Korea-U.S. summit talks and asked him to use the phraseology of thorough and broad approach instead of the word, comprehensive approach.

So-called thorough and broad approach claimed by Kim Yong-sam was gradual disturbance maneuvers [nujinjok panghae chaektong] intended to create new complexity by dragging IAEA and the United Nations into resolving the nuclear problem, as public opinion at home and abroad commented.

To achieve this, the Kim Yong-sam group even conceded to open the rice market, which it held as the last card, to the United States, thus committing high treason.

Regarding such treason by the Kim Yong-sam group, (Harris Kolis), expert in the issue of the Korean peninsula at the U.S. Carnegie International Peace Foundation, said that as a result of a hopeful signal sent by North Korea in the course of negotiations with the United States, the gaps between the two countries have been narrowed. However, Kim Yong-sam's U.S. visit handcuffed our hands and feet. THE NEW YORK

TIMES 27 November edition warned that the means for nuclear resolution should not be suspended because of a last-ditch blockade offensive by hardline faction within the ROK.

2) Laying barriers in exchange of special envoys

An agreement was reached on the early resumption of the third round of the DPRK-U.S. talks for a package solution to the nuclear issue at the contact between the two sides in New York on 29 December last year. If the third round of talks for a package solution were held as agreed, the nuclear issue would have been smoothly resolved that time, and the crisis of nuclear turmoil would not have been created. However, because of Kim Yong-sam group's fluttering its feet in an attempt to cling to the sleeves of its master, grave obstacles were again created before the DPRK-U.S. talks.

As the United States was inclined toward a package solution, the Kim Yong-sam group, which frantically opposed the exchange of special envoys put forward by the North, raised the exchange of North-South special envoys as a means of the brake on the package solution, and built walls before the third round of DPRK-U.S. talks.

On the very evening of the day when the result of the New York DPRK-U.S. contact was announced, the Kim Yong-sam group held a high- level unification-related strategic meeting, and announced the government's official position that the exchange of North-South special envoys should be realized before the third round of DPRK- U.S. talks.

As the U.S. under secretary of state said on 5 January this year that nearly all of the conditions for holding the third round of talks reached the stage of being met, Kim Yong-sam the puppet, being hard pressed, at the New Year's press conference tried to stop his master, contending that inter-Korean talks must be held without fail along with the inspection by the IAEA, the United States has never used the word of a package solution and people should not be deceived by the swindle of the North.

Not satisfied with this, the Kim Yong-sam group on 18 February sent a personal letter to the U.S. President Clinton, asking him to realize the exchange of special envoys before the third round of the DPRK-U.S. talks and let Yi Hoe-chang, the then prime minister, cried that the postponement of the third round of talks and resumption of the Team Spirit exercises were natural, if the exchange of special envoys between the North and the South failed, to drive a wedge into the DPRK-U.S. talks.

At the same time, through the puppet foreign minister, puppet Kim Yong-sam also began to perpetrate maneuvers with both the hawks and doves in the U.S. political circles with a policy of exchanging special envoys first and of holding the third round of North Korean-U.S. talks next. Regarding such Kim Yong-sam ring's acts of hindering the efforts to solve the nuclear issue independently and peacefully while following outside forces without the slightest degree of the consciousness of independence, Professor Yi Sam-song at the Hallim University denounced that an exchange of special envoys should not be used as a design to delay the North Korean-U.S. dialogue, a key to a peaceful resolution of the nuclear issue.

Proceeding from such a insidious political purposes, the Kim Yong-sam ring intentionally ruptured the North-South working-level contacts for exchange of special envoys.

3) A shock brigade for grave criminal commotions

The Kim Yong-sam ring, which had dissipated exchange of special envoys, rapidly drove this tense phase into a phase of international sanctions against the North on the strength of outside forces.

The Kim Yong-sam regime, in which the slightest degree of national sovereignty can be found and which is an illegitimate child of the United States, openly laid bare to the world its real vicious intention of attempting to impose sanctions against the North on the strength of outside forces ever since the early days of its birth.

On 30 March last year, the Kim Yong-sam clamored that phased and gradual hard-line measures should be taken against the North. On 10 May last year it also clamored that all countries of the world should actively join international sanctions against the North.

On 11 February this year the Kim Yong-sam ring also announced a so-called policy for sanctions against the North that to urge North Korea to accept nuclear inspections it is imperative to change weak sanctions to strong sanctions. The next day, in a meeting with the Japanese foreign minister, the Kim Yong-sam ring discussed with him a policy for joint measures among South Korea, the United States, and Japan with regard to the problem of sanctions against the North.

In an interview with Japan's NHK held two days prior to the eighth round of working-level contacts for exchange of special envoys on 17 March, puppet Kim Yong-sam babbled that hasty optimism should be avoided and that the situation was leading to the point where it was inevitable to impose international sanctions against the North.

When an unreasonable resolution to refer the North's nuclear issue to the UN Security Council was fabricated and adopted at the Board of Governors' meeting of the IAEA on 17 March, Kim Yong-sam created a happening in which after the Ministry of Foreign Affairs official statement that North-South dialogue was still valid was announced in the morning of that day, South Korean Nuclear Ambassador Kim Sam-on reversed this statement again in the afternoon on the same day into a statement calling for sanctions against the North which read to the effect that the time had come when other measures should be taken.

The October 1994 issue of magazine SINDONG-A revealed that behind the background of such a reversion is Chong Chong-uk, senior secretary for foreign and security affairs at Chongwadae [presidential offices], and behind this stands Kim Yong-sam's directive.

Following this, the Kim Yong-sam ring held a so-called security affairs-related ministers' conference on 21 March and decided to resume the Team Spirit exercises and to deploy Patriot missiles at the earliest possible date, thereby making frantic efforts to create circumstances favorable for imposing sanctions against the North.

On 22 March, through Han Sung-chu, the Kim Yong-sam ring clamored that the UN Security Council's resolution to impose sanctions against the North was certain and that the sanctions would be in a phased manner. Thus, the Kim Yong-sam ring was leading international opinion to an atmosphere favorable for sanctions against the North.

At a breakfast meeting with cabinet ministers at Chongwadae on 23 March Kim Yong-sam, babbling that sanctions were the only reasonable way and that the UN Security Council was likely to adopt a stronger resolution, clamored that he would take the current foreign trip as an important opportunity for sanctions against the North.

Kim Yong-sam, who had embarked on a foreign trip to neighboring countries to drag them into sanctions against the North, babbled at the talks with the Japanese prime minister on 24 March that it was inevitable to take a hard-line attitude against the North and that a solution should be sought on the basis of a joint cooperative system among South Korea, the United States, and Japan.

When his begging for China to participate in UN sanctions against the North was flatly refused at the South Korean-Chinese summit talks on 28 March, Kim Yong-sam hastily sent Han Sung-chu who accompanied him at that time, to the United States on 29 March. On 31 March, he went so far as to disgracefully act of directly telephoning U.S. President Clinton to call for him to arrange the participation of China and Russia in the South Korea-United States- Japan joint cooperative system.

Moreover, this dirty toadyist nation- selling traitor begged the U.S. Government, through Han Sung-chu, to pursue to adopt a UN Security Council resolution that is more powerful than a statement of the UN Security Council president. He also committed a rash act by asking the UN Security Council president and the secretary general of the UN General Assembly to cooperate in imposing sanctions. And, on 3 April, he sent Han Sung-chu to Japan to ask Japan to examine South Korea-Japan joint countermeasures for phased sanctions and impose phased economic sanctions.

Meantime, the Kim Yong-sam ring, through Defense Minister Yi Pyong-tae, released new Operation Plan 5027 to seek an opportunity to impose sanctions against the North; released an order to the entire Armed Forces to go on special alert; even brought in Patriot missiles; and, thus, led the situation to the brink of war. However, because of the strong attitude of the North, which stated sanctions mean war, and the discord [among the countries concerned], it virtually became uncertain that UN sanctions be imposed. Then, on 31 May, Kim Yong-sam called U.S. President Clinton over the phone, told him that UN sanctions were inevitable, begged him to ensure that a resolution on sanctions against the North be adopted within a week.

At a meeting of the Unification and Security Policy Coordination Council, he decided to pursue South Korea-U.S.-Japan multinational sanctions in case UN sanctions failed and made desperate efforts to implement this decision.

These antinational sanction commotions by the Kim Yong-sam ring to kill fellow countrymen with the swords of outside forces prompted rumors about a crisis of war and created social uneasiness and chaos, and, as a result, our fellow countrymen have come to face the crisis of a nuclear war.

In our national history, there have been many toadyist nation- sellers who brought in outside forces and sold the nation and led the nation to destruction. However, no traitor besides Kim Yong-sam has tried to strangle [kyosal] his fellow countrymen with the swords of outside forces and lead the nation to common destruction.

3. The maneuvers to brake the conclusion of the North Korea-U.S. negotiations

The situation on the Korean peninsula which had been headed for war reached a turning point and was headed for peacefully solving the nuclear problem and improving North-South relations and North Korea-U.S. relations as a result of Pyongyang talks between President Kim Il-song and Former U.S. President Carter.

The Kim Yong-sam ring, which felt uneasy over the rapidly changing situation, embarked on a more treacherous toadyist road and made last-ditch efforts to block the conclusion of North Korea-U.S. talks and abort the talks.

1) Political upheavals to keep the United States in check

In order to keep in check the United States, which was headed for improving North Korea-U.S. talks, the traitor Kim Yong-sam committed the antinational act of completely freezing North-South relations and bringing them to a catastrophe by staging various political upheavals.

President Kim Il-song, who had arranged North-South summit talks, a great national event for reunification, passed away suddenly. This was a big loss and a very sad unfortunate event for our nation. Upon hearing this sad news, all fellow countrymen cried bitterly while pounding the ground. However, upon hearing this sad news, in the hope that a fire would break out in the house of mourning, the traitor Kim Yong-sam, who had even rehearsed handshakes with the scheduled summit talks around the corner, issued a special alert order for the entire Armed Forces less than 30 minutes later, a Class A alert order for the entire police, and an emergency standby order for all government officials. After that, he committed the bestial act of aiming guns at his fellow countrymen who were crying bitterly and of rattling sabers against people from all walks of life who expressed condolences. Furthermore, at the 14 July meeting of the Unification and Security Policy Coordination Council, this villain [aktang] said that the time, place, and procedure of the summit talks must be discussed again from the starting point, and on 16 July, he made the rash remarks that he had no intention to propose the holding of summit talks first. In this way, he declared that he would give up North-South dialogue and pursue confrontation.

Even with this, The Kim Yong-sam ring was unable to stop the master's steps in moving toward settling the DPRK-U.S. negotiations. After an upheaval of suppressing those who wanted to mourn [for President Kim Il-song], the Kim Yong-sam ring unprecedentedly aggravated the situation by letting such a venal professor as the president of Sogang University create a stir about the so-called chuche idea faction; rigging up a 25 June document through the National Unification Board [NUB]; spreading the rumor of the manufacture of five nuclear bombs [by the North] through the Agency for National Security Planning [NSP]; and setting the cabinet in motion to take issue with human rights. Furthermore, on 9 August, through the so-called NUB Minister Yi Hong-ku, the Kim Yong-sam ring unhesitatingly made a very provocative absurd remark toward the North by saying that if there is an opportunity to achieve reunification through absorption, reunification through absorption must be carried out.

This kind of upheaval regarding the strong policy against the North by the Kim Yong-sam ring which has no political philosophy and independent faith, was even confessed by the officials of Chongwadae and government authorities. As such, this stems from the motive under the intention to put the brakes in the plan by the United States which is showing positiveness in improving relations with the North. HANGYORE SINMUN 28 August 1994

2) The Maginot line which was drawn on the negotiating table

The Kim Yong-sam ring, which regards depending on outside forces, which is contrary to the nation's independence as a favorite maxim, and which is trying to find a way to live from it, is clinging to the master's ankle through the political upheaval of the strong policy against the North, and it also brought forward three absolute preconditions in putting the brakes in the settlement of the DPRK- U.S. negotiations by even grasping the master's sleeves. The three preconditions are the principle of guaranteeing the transparency of nuclear activities first and then providing light-water reactors; the principle of guaranteeing the leading role of South Korea in the provision of the light-water reactors; and the principle of parallel promotion of the improvement of the South-North relations and relations between the DPRK and the United States.

A 3 September 1994 CHOSON ILBO editorial said that these three principles are the Maginot line which the South Korean Government must fulfill stubbornly even at the risk of its life.

With the progress of the third round of DPRK-U.S. talks, the resolution of the nuclear issue entered a smooth moment. At this, the Kim Yong-sam ring, which became desperate, babbled about a special inspection [tukpyol sachal] through the IAEA and a mutual inspection [sangho sachal] through the South-North Joint Nuclear Control Committee on the day of the announcement of the agreed statement. Thus, the Kim Yong-sam ring put forth guaranteeing the transparency of the past nuclear activities as a precondition for providing the light-water reactor.

To fulfill this, at a 11 August news conference with reporters, NUB Minister Yi Hong-ku said that it will be impossible to provide the light-water reactor if North possesses even half of a nuclear weapon. He babbled that guaranteeing the transparency of the past nuclear activities is a precondition for providing the light-water reactor. In a telephone conversation with U.S. Secretary of State Christopher on 13 August, Foreign Minister Han Sung-chu begged for a thorough cooperation between South Korea and the United States to guarantee the transparency of North's past nuclear activities.

At the 25 August meeting of the Unification and Security Policy Coordination Council between the Chongwadae and the NSP side and the Foreign Ministry and NUB team to coordinate differences in opinion regarding the issue of this special inspection, it persistently put forth the issue of guaranteeing the transparency of the past nuclear activities by making a compromise plan in which there must be practical measures including the special inspection.

With this kind of rigid practice by Chongwadae, the media raised voices of worry that if we excessively attach to the transparency of the past nuclear activities, it may break the negotiating table. Breaking this negotiating table was the inner intention and goal of Kim Yong-sam ring's, who came forth with the issue of the transparency of the past nuclear activities.

Providing the light-water reactor following the North's measure to freeze nuclear weapons and the issue of guaranteeing alternative energy are issues that must be resolved between the North and the United States. They were not issues to be intervened by South Korea. Nevertheless, when the DPRK-U.S. agreed statement was announced, the Kim Yong-sam ring suddenly made a political term which is the nonexistent, South Korea-type reactor, and presumptuously said that it will pay the money, it will not pay the money, it will provide the light-water reactor, it will not provide the light-water reactor, thus creating a complicated situation in the settlement of the DPRK-U.S. talks.

The principle of running parallel with the issue of improving South-North relations and the DPRK-U.S. relations is ultimately a production of a wicked scheme by the Kim Yong-sam ring to put the brakes in the DPRK-U.S. agreement. In reality, the ringleader who systematically froze the South-North relations up until now is the Kim Yong-sam ring.

This notwithstanding, because its racket to realize the imposition of sanctions had fallen through; the third round of the North-U.S. talks had resumed; and a final agreement was in the offing, the Kim Yong-sam traitorous regime reiterated again, in a meeting of the Unification and Security Policy Coordination Council held on 5 August, the need to see the South-North dialogue proceed in tandem with the North-U.S. talks. So, what a contemptible, cross-minded, and knavish racket of obstruction this is!

On 9 August, with the inner thought to prevent by any means [kioi] the North-U.S. talks from being settled, Nuclear Ambassador Kim Sam-hun said: Unless there is progress in the South-North dialogue, it will be impossible to supply the light-water reactors.

On 30 August, Han Sung-chu said: The South-North dialogue is indispensable to the improvement of the North-U.S. relations.

On 31 August, Yi Hong-ku (?emphatically) said: We should regulate the pace of the improvement of the U.S.-North relations.

On 8 September, in his message sent to Clinton, traitor Kim Yong- sam begged the United States to maintain a firm relevant principle, while emphatically saying: The South-North dialogue is important in solving the North's nuclear issue. The improvement of the North- U.S. relations should go in tandem with that of the South-North relations.

In a meeting of the Unification and Security Policy Coordination Council, which was held with the approach of the second session of the third round of the North-U.S. talks, they decided to stick to the principle of seeing the improvement of the South-North relations go in tandem with that of the North-U.S. relations, while displaying their ugly nature of urging the United States to cooperate with South Korea.

The Kim Yong-sam ring has applied the brakes on the South-North dialogue for the solution of the issues concerning the nation and reunification, and has made ill use of this as a breakwater with a view to obstructing the improvement of the North-U.S. relations. As regards such anti-national acts by the Kim Yong-sam ring, even professors and scholars at the Research Institute of National Unification and at the Institute of Foreign Affairs and National Security have been voicing criticism, saying: It is not desirable to lay emphasis on holding the unrealistic South-North dialogue for the sake of a nice-looking outward appearance, and it is like setting fire to one's own house to utilize the South-North relations with an aim to hold in check the North-U.S. relations.

3) Biting at the heels of the master

Despite the desperate efforts of Chongwadae, with regard to the North-U.S. talks, even the Maginot line, which the South Korean rulers [wijongjadul] had set, fell down and the outline of a framework agreement began taking shape.

Getting mad at this, in addition to biting off its own countrymen, the Kim Yong-sam ring made a frantic scene of biting off even its master.

In an interview by THE NEW YORK TIMES on 8 October, Kim Yong-sam expressed his dissatisfaction over the fact that South Korea has been left in the cold in the North-U.S. talks, and criticized the U.S. President, saying: The Clinton administration does not know the North well; it is excessively sticking to the idea of seeking a compromise; and it is being fooled by the North's chicanery.

At the same time, in a similar interview by this newspaper on that day, a guy called the minister of national unification singled out Gallucci, U.S. nuclear ambassador [title as heard], in finding fault with him, by saying: By depending upon a nuclear nonproliferation expert instead of a South-North affairs expert, the United States itself is weakening its own position.

This invited a strong resistance from the U.S. media and political circles, and even a diplomatic conflict was created between South Korea and the United States. Hard pressed by this, Kim Yong-sam equivocated in an interview by CNN of the United States on 11 October by saying that he had meant that [the United States] should not be fooled by the North's negotiation tactics. Having Han Sung-chu go to and apologize to U.S. Ambassador to South Korea Laney, he made a scene of conveying the South Korean Government's position: It is desirable that [the United States] not show excessive flexibility in its negotiations with the North.

Into the bargain, on 8 October, Kim Yong-sam clamored: If the North-U.S. talks do not proceed smoothly, there will be no choice but to refer the North's nuclear issue to the debate of the United States Security Council.

Under the circumstances in which it is not clear whether the North-U.S. talks will proceed smoothly, there is no choice but to resume the Team Spirit exercise.

To this, the U.S. media also criticized this, stating: South Korea is exerting itself so that any substantial results cannot come out of the Geneva talks. Instead of laying an obstacle in the way of the United States, South Korea should admit the reality that the improvement of the U.S.-North relations is inevitable in any case [ochapi].

In spite of such pertinacious, knavish, anti-national maneuverings by the South Korean rulers [wijongjadul] to obstruct the North-U.S. talks, in the North-U.S. talks on 21 October, the historic framework agreement on the peaceful solution of the nuclear issue and on the improvement of the North-U.S. relations was released, and the North-U.S. talks reached a successful conclusion. As a result, the traitorous Kim Yong-sam group was placed in a situation of that of a dog which has run after a hen and is now looking up at the roof where the hen has jumped up.

The Kim Yong-sam traitorous group has been bringing the South- North relations into the situation of an extreme confrontation with the purpose of crushing [apsal] the North—place of their countrymen—by depending upon the outside forces, while obstructing at every step the North-U.S. talks. Even without apologizing for their own crime today, the group is making desperate efforts to jump on the bandwagon which is bound for the North by babbling about the so-called economic cooperation, while saying that they welcome the framework agreement reached between the North and the United States. We cannot but say that this is an extreme case of a shameless fickleness of a political prostitute who knows neither dignity, nor just cause.

The countrymen and brethren in the North have not long acknowledged Kim Yong-sam neither as a human being, nor as their countrymen; nor are they willing to associate with him [sangjongharyogodo hajiankoitta].

Only the stern judgment of history and the severe blow of the nation will be meted out to Kim Yong-sam who has become a lonely orphan that has been put aside from the current of the times, while losing independence [chajusong]—the life of the nation—and committing traitorous acts while following outside forces.

History will surely reckon traitor Kim Yong-sam's felony committed to all ages to come.

[Dated] 30 November 1994, Seoul

'Kim Yong-sam Group' Criticized for 'Crimes'

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["Sinister Rigmarole"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—The South Korean rulers are now slandering the joint declaration of the Workers' Party of Korea, the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan on the relations between the Democratic People's Republic of Korea and Japan.

According to a recent issue of SANKEI SHIMBUN, Yi Se-ki, "chairman of the policy planning committee of the Democratic Liberal Party" of South Korea, recently met the visiting acting chairman of the Policy Affairs Research Council of the LDP, Kosuke Hori. Yi told him that South Korea has nothing to "claim more" as regards "apology and compensation for 45 years after the war" because the issue was already settled by the "South Korea-Japan treaty," and Japan has no need to bring forward the issue.

It is entirely just that the three-party joint declaration stipulated that Japan must make an official apology and adequate compensation for the past colonial domination of Korea by the Japanese imperialists and the damages they inflicted upon the Korean people for 45 ensuing years.

This notwithstanding, the South Korean puppets blared that "there is nothing to claim" and it is unnecessary for Japan to mention about "apology and compensation for 45 years after the war". This cannot be construed otherwise than an act betraying their pro- Japanese sycophantic and treacherous nature.

As for the "South Korea-Japan treaty" recalled by the puppets this time, it is, indeed, a treacherous and illegal "treaty" through which the South Korean rulers opened the road of reinvasion to Japan.

The Kim Yong-sam group is trying to put a brake on the reparation for 45 years after the war reflected in the joint declaration by using the flunkeyist and treacherous "treaty" which must be dumped into a dustbin of history. It is really a foolish act.

What is more serious is that the Kim Yong-sam group openly prattled that they "cannot accept" the expression of "Korea is one" in the joint declaration because it means a "reunification by force of arms of the North".

How on earth can this slogan mean "reunification by force of arms"? It is only too evident that the slogan reflects the unanimous desire of the fellow countrymen to reunify the country independently and peacefully through great unity of the whole nation.

It is preposterous for the puppets hell bent on the efforts to overpower the North by force of arms, not discarding the design of "institutional unification" and "unification by prevailing over communism", to raise a hue and cry over fictitious intention of the North for reunification by force of arms".

The Kim Yong-sam group that has tried to balk at the implementation of the DPRK-U.S. agreed framework is foolish enough to attempt to reverse even the three party joint declaration on the DPRK-Japan relations. This fully shows how vile the puppets' mind is and how desperate their treacherous acts are.

The nation will surely keep tabs on the never-to-be condoned crimes of the Kim Yong-sam group against the nation.

ROK People Urged To Overthrow Kim Yong-sam

SK0812085594 Pyongyang Korean Central Broadcasting Network in Korean 1220 GMT 7 Dec 94

[Commentary by Kim Ho-sam: "Another Fascist Violence by the Kim Yong-sam Ring"]

[FBIS Translated Text] The vicious Kim Yong-sam murderous fascist ring is further stepping up suppression on patriotic students. According to a broadcast from Seoul, the puppet district prosecutor's office in South Kyongsang Province on 6 December arrested Pak Tong-chu, president of the General Student Council of Kyongsang University and began an investigation of him on charges of the violation of the notorious National Security Law and the Law on Assembly and Demonstration.

The South Korean puppets are charging the president of the General Student Council of Kyongsang University because he put up a wall poster and placard mourning the passing of the great leader President Kim Il-song in the university campus and because he led a demonstration when the launch meeting for the Pusan and South Cholla Provincial Alliance of General Student Councils was held at Kyongsang University in May.

This is a brigandish logic that convinces no one. It is an act that can be perpetrated only by the most vicious enemy of the nation challenging patriotism.

That the president of Kyongsang University General Student Council put up a wall poster and a placard in the university campus is an act deserving praise as a member of the Korean nation. It can never be an object of suppression.

As everyone knows, the great leader President Kim Il-song is the great leader and benevolent father whom our nation had and upheld for the first time in its 5,000-year history, the greatest of great men whom all the people of the world publicly acknowledge, and a senior statesman of the world. This is why during the mourning period for the great President Kim Il-song upon his passing, the entire world was so sorrowful and all mankind wept. It was elementary courtesy and proper duty to express condolences, as a member of the Korean nation sharing the same blood, before the spirit of the departed peerless great man whom the world revered.

Therefore, it can never become a crime that the president of the Kyongsang University General Student Council put up a wall poster and a placard mourning the passing of President Kim Il-song in the university campus, nor can it become an object of judicial punishment.

Accusing the just act at the passing of the great leader as a crime is an act that can be committed only by the traitorous ring that cannot survive without the National Security Law or the Law on Assembly and Demonstration and by such an immoral man as Kim Yong- sam.

As everyone knows, the Kim Yong-sam clique committed an unparalleled unpardonable crime before our nation and history. Traitor Kim Yong-sam, rather than expressing condolences on the unfortunate incident of the fellow countrymen, committed an unheard- of savage act of leveling a gun at the fellow countrymen and ruthlessly suppressing the South Korean people who wished to share the sorrow with compatriots in the North.

Moreover, traitor Kim Yong-sam perpetrated fascist frenzy by creating a new public security-oriented political situation and committed without hesitation a savage act, incurring the wrath of both heaven and man, aimed at annihilating the reunification and democratic forces, including those who believed in the chuche idea. An incalculable number of South Korean people have bled by the bayonet of the immoral Kim Yong-sam fascist ring, which is worse than a beast ignoring the country and the nation and which does not have a fraction of national conscience and that abandons even elementary human ethic and morality.

With all the enormous unpardonable crime it committed, the Kim Yong-sam ring continues to swing around with its body stained with the South Korean patriotic masses' blood, imprisoning at random the patriotic young students calling for independence, democracy, and reunification. The South Korean puppet prosecutor's office on 22 November arrested and indicted Yi Chang-pok, standing chairman of the National Alliance for Democracy and Reunification, on charges of the violation of the National Security Law. Persecuting and suppressing him, the puppet prosecutor's office committed a fascist rash act of demanding a four-year prison term and a four-year suspension of rights.

Young men in their twenties who call for independence, democracy, and reunification are frequently whisked away to the puppet prosecutor's office and police by the Kim Yong-sam fascist ring in South Korea, are hauled into prison as criminals, although they have not committed any crime. What a crime the Kim Yong-sam ring is committing! It is a shame to mankind that a fascist tyrant like Kim Yong-sam should rein in South Korea at a time when the protection of human rights and democracy has became a common demand of the times.

The stern reality shows even more clearly that as long as such a fascist murder maniac as Kim Yong-sam is allowed to stay in South Korea, the South Korean people cannot live in peace, nor can peace in the country, national harmony, or the country's reunification be realized.

The South Korean people should launch themselves into a more daring struggle to overthrow the Kim Yong-sam fascist ring—the vicious antidemocratic, antireunification, murder ring.

Foreigners Urge Repatriation of ROK Prisoners

SK0812053894 Pyongyang KCNA in English 0451 GMT 8 Dec 94

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA)—Foreign organisations demanded of the repatriation of old Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, to the northern half of Korea.

The Lebanese Committee for Supporting Korea's Reunification in a statement November 24 said:

The South Korean authorities refuses the repatriation of old Kim In-so, Ham Se-hwan and Kim Yong-tae, prisoners of war, till today when 40 odd years have passed since the end of the Korean war. This is a most despicable barbarity both in view of international law and humanitarianism. The statement appealed to all the human rights organisations of the world to take necessary steps for their immediate return to the Democratic People's Republic of Korea according to international law.

The Ghanaian Committee for the Repatriation of Unconverted Long- Term Prisoners in South Korea to the DPRK in a statement November 23 demanded that the South Korean authorities send unconverted long-term prisoners back to the North unconditionally and immediately and appealed to international organisations including the international Red Cross, and the human rights and public organisations of all countries to conduct a brisk international solidarity movement for the release of unconverted long-term prisoners in South Korea and their repatriation to the North.

The Mozambican Committee for the Promotion of the Repatriation of Unconverted Long-Term Prisoners in South Korea in a statement November 22 urged an immediate return of Kim In-so, Ham Se-hwan and Kim Yong-tae and all other unconverted long-term prisoners in South Korea to their hometowns and warned that if the Kim Yong-sam group refused to send them to the North, it would face its destruction.

Brother-Sister Spy Case 'ANSP' 'Fabrication'

SK0812054894 Pyongyang KCNA in English 0505 GMT 8 Dec 94

[" 'Brother and Sister Spy Case,' Fabrication"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA)—It has been dragged into the light of day that the "brother and sister spy case" made public by the puppet "Agency for National Security Planning" (ANSP) of South Korea as a "grave case" was a dastardly fabrication.

The socalled "brother and sister spy case" is a false case in which the puppet "ANSP" in September 1993 branded Kim Sam-sok, policy committee member of the Federation of Anti-Nuclear and Peace Movement of South Korea, and his younger sister Kim Un-chu, a salesgirl of a department store, as "spies" linked with the North, in an attempt to destroy the pro-reunification democratic forces in South Korea and create an atmosphere against reunification.

The Kim Yong-sam fascist clique faked up the "brother and sister spy case" according to a script of the "ANSP" and imposed prison terms upon them on charges of "meeting and communicating with the anti-state organisation" under the notorious "National Security Law."

The South Korean weekly magazine "HANGYORE 21" November 17 and the November 11 issue of MINJOK SIBO, a Koreans' newspaper published in Japan, gave detailed accounts of the case under the respective titles "ANSP Was Behind the 'Brother and Sister Spy Case'" and "Declaration of Conscience of Mr. Paek, a Secret Agent Involved in 'Kim Sam-sok Case'".

According to the confession of Paek Hung-yong, he worked at the Hangyore Film Studio with interest in the Labour Cultural Movement, and was enlisted as a secret agent of the "ANSP" in June 1992, yielding to its threat, torture and appeasement.

The first order issued by the "ANSP" to him was to spy into the movement of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) in Japan and confirm whether there was a channel between this organisation and the National Council of Student Representatives (Chondaehyop) of South Korea, or not.

When Paek Hung-yong failed to attain this objective, the "ANSP" in early October 1992 instructed him to spy into the relations between the society for the commemoration of Chon Tae-il of South Korea and an organisation related to Chon in Japan and in around January 1993, it sent him to Japan again and again, instructing him to invent a link between the Union of Socialist Democratic Youth (Saminchong) of South Korea and the League of Korean Youth in Japan, (Chochong).

Early in May 1993, he received from the "ANSP" an order to obtain a film of the North in Japan saying it would be distributed by the South Korean Federation of General Student Councils (Hanchongnyon).

In July, the "ANSP" said: "A case must be invented as soon as possible. This time Kim Un-chu and Kim Sam-sok are desirable as the target". And it ordered Paek to obtain a book of the North in Japan, make Kim Un-chu take over the book and a Hanchongnyon cadre receive it through her.

Paek Hung-yong acted on this order. Kim Un-chu, however, was arrested at the appointed place by investigators of the "ANSP", and her elder brother was also arrested.

After the case was fabricated, Paek Hung-yong lay in hiding for more than four months on the instruction of the "ANSP" that he must take shelter because of troubles at the court. In September this year, he received an order to spy into the atmosphere of the joint secretariat of Pomchonghangnyon in Berlin.

Feeling uneasy about his personal safety in Berlin, however, he, with the help of the Party of Green of Germany introduced to him by Pomchonghangnyon, called a press conference on October 31 and published a declaration of conscience.

In the declaration of conscience, he said "I was a secret agent of the ANSP and the 'spy case of brother Kim Sam-sok and his sister' was faked up by the ANSP through me."

This irrefutable fact clearly exposes the anti-North, anti-reunification and anti-national color of the "ANSP".

Human Rights Group Urges Prisoner Repatriation

SK0812103394 Pyongyang KCNA in English 1016 GMT 8 Dec 94

[FBIS Transcribed Text] Tokyo, December 6 [date as received] (KNS-KCNA)—Chairman of the Human Rights Association of Koreans in Japan Choe Il-su in a statement issued to the press Tuesday said that old Kim In-so, Ham Se-hwan and Kim Yong-tae, prisoners of war, must be repatriated to the Northern half of the country as early as possible as they wish, according to the international law of humanitarianism and the convention on the prisoners of war.

He went on:

It is a very elementary and legitimate hope and demand of man for the unconverted long-term prisoners to go back to their hometowns at an early date to meet their flesh and blood and spend the remainder of their lives with them.

If the South Korean authorities refuse the repatriation of the old men, they will be condemned by all the fellow countrymen and the world people.

The Human Rights Association of Koreans in Japan will make all its efforts for an immediate repatriation of old Kim In-so, Ham Se- hwan and Kim Yong-tae by struggling in close solidarity with the movement of the North and South of Korea and the international community for their repatriation.

Japan's Justification for Pacific War Dismissed

SK0812104194 Pyongyang KCNA in English 1024 GMT 8 Dec 94

["What is the Purpose of 'Doctrine Justifying the Pacific War'"?—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—NODONG SINMUN today refutes the anti-historical sophism such as "the doctrine justifying the Pacific War" circulated by the Japanese reactionaries in a bid to repeat the history of aggression.

In a by-lined article exposing the sinister intention of those vociferating about the doctrine justifying the aggressive and predatory Pacific War, the paper says "the doctrine" which Japanese cabinet members and reactionaries are now preaching is a shameless forgery and distortion of history and a mockery of and insult to the Asian peoples and human conscience.

With nothing can the Japanese reactionaries deny the criminal nature of the war defined by the international court and recognized by the world or veil it from public knowledge, the paper says, and goes on:

Voices urging Japan to break with its wrong past are growing louder than ever before worldwide with the approach of the 53rd anniversary of the start of the Pacific War by the Japanese imperialists and the 50th anniversary of their defeat. The Japanese authorities, feeling uneasy about this, intend to dispel the distrust in Japan which is deeply rooted in the minds of the Asian peoples and improve their image. They, as part of this move, are trying to bring home to Asian peoples "the justice" of the Pacific War.

While vociferating about the afore-said "doctrine," the Japanese ruling quarters are also seeking to find a pretext for converting Japan into a political power, purge the Japanese people of the sense of crime and achieve "the unity of the people based on nationalism."

It is not fortuitous that the circulation of the "doctrine" by the Japanese reactionaries is timed to coincide with Japan's attempt to get a permanent seat in the United Nations Security Council, "the mental education" aimed at "the cultivation of new nationalism" and the construction of "a peace memorial hall for the war dead," the paper says.

Tokyo Trade Unions Demand Normalization of Ties

SK0812103594 Pyongyang KCNA in English 1018 GMT 8 Dec 94

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—Delegates of trade unions in Tokyo metropolis went to the Japan prime minister's official residence and presented a letter requesting him to contribute to the independent and peaceful reunification of Korea and work for an early normalization of Japan- DPRK diplomatic relations.

The letter was handed to the private secretary of the chief cabinet secretary.

The letter urged the Japanese Government to reflect on and atone for the past war of aggression, actively cooperate in the peace and reunification of the Korean peninsula and make efforts for the normalization of Japan-DPRK diplomatic relations on the basis of the three-party joint declaration between Japan and the DPRK.

The delegates also handed over signatures of some 400 trade unions in Tokyo metropolis.

University Students From Japan Visit Yi In-mo

SK0812053194 Pyongyang KCNA in English 0431 GMT 8 Dec 94

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—Students of Korean University of the General Association of Korean Residents in Japan (Chongnyon), staying in the socialist homeland met Yi In-mo, the incarnation of faith and will, in Pyongayng on December 7.

Saying that he could defend his revolutionary principle to the end, not yielding to brutal tortures, becuase he struggled with the great leader Comrade Kim Il-song as his mental pillar, Yi In-mo hoped that the students under Chongnyon would struggle staunchly, firmly believing in only dear general Kim Chong-il.

The members of the home-visiting group expressed their firm resolution always to live and struggle as loyal subjects and filial sons and daughters of general Kim Chong-il, cherishing the benevolent image of the fatherly leader Generalissimo Kim Il-song deep in their hearts Yi In-mo did as comrade.

More on Signature Campaign for 10-Point Program

SK0712011094 Pyongyang KCNA in English 2240 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—The signature campaign supporting "10-point programme of the great unity of the whole nation for the reunification of the country" and the proposal for founding the Democratic Confederal Republic of Koryo put forward by the great leader President Kim Il-song took place in different countries.

Amadou Sanri Niangadou, chairman of the Malian Democratic Working Rally (Party), signed the signature paper on behalf of the members of his party and T. M. Ratonga, director of the Korea-Tanzania Joint Venture Agricultural Company, on behalf of the employees.

After signing the signature paper, T. M. Ratonga said that Korean reunification is an earnest desire of the Tanzanian people and those who refuse to accept the 10-point programme of the great unity of the whole nation are those who do not want the reunification of Korea.

Batmunkh, chairman of Hentiy Province, Mongolia, on November 11 signed the signature paper on behalf of the population of 20,000, bringing to 350,000 the number of the persons joining the signature campaign in the country.

Envoy Bids Farewell to Burkina Faso Leader

SK0812022294 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 5 Dec 94

[FBIS Translated Text] (Kim Sun-chae), DPRK ambassador to Burkina Faso, paid a farewell visit to Burkinabe Prime Minister Roch Christian Marc Kabore on 29 November. During the meeting, the prime minister expressed satisfaction over the good development of friendly relations between Burkina Faso and the DPRK, stating:

We are satisfied that notable progress was made in the DPRK-U.S. Geneva talks, and congratulate you over the results achieved by the DPRK. We believe the secret to this success lies wholly in the great leader his excellency President Kim Il-song's achievements and the dear leader His Excellency Kim Chong-il's outstanding leadership.

The Korean people always have firm faith in victory due to the dear leader Comrade Kim Chong-il's outstanding leadership. We actively support the efforts by the DPRK Government and the Korean people to reunify the country through the method of the confederal system based on the three principles of the fatherland's reunification. The reunification method through the confederal system firmly reflects all the Korean people's intention, thus it will be achieved without fail.

We will always send encouragement to just cause of the DPRK Government and people, and will make all efforts to further consolidate and develop friendly and cooperative relations between the two countries.

Foreigners Name Institutions After Kim Chong-il

SK0812044394 Pyongyang KCNA in English 0407 GMT 8 Dec 94

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—The progressive people of the world have named significant units and objects of their countries after dear Comrade Kim Chong-il, highly praising him as the outstanding great man of the century and the great leader of the world revolution.

This year the societies for the study of Kim Chong-il's works, study groups of Kimchongilism, Kim Chong-il libraries and Kim Chong- il classes came into being in Japan, Madagascar, Uganda, Zambia, Zimbabwe, Tanzania, Nigeria, Zaire, Guyana, Nicaragua and other countries.

Grand functions were held in different countries to attach the name of His Excellency Kim Chong-il, the supreme commander of the Korean People's Army, to units and objects, highly praising him as a beacon of hope for the progressive people of the world.

Addressing an opening ceremony of the Kim Chong-il Library in Tanzania, S.H. Ngajulage, secretary of the Coastal Regional Committee of the Revolutionary Party of Tanzania, said it is a high glory of the entire party members and people that the Kim Chong-il Library has opened in the coastal region, because the library bears the August name of the outstanding leader of the world.

The Japan Liaison Council of Societies for the Study of Kim Chong-il's Works, a national organisation of the societies for the study of his works, was inaugurated in Japan on his birthday.

General secretary of the International Institute of the Chuche Idea Kenichi Ogami in his speech at the inaugural meeting said: "Our minds are now with Mr. Kim Chong-il and we solemnly declare the formation of the Japan Liaison Council of Societies for the Study of Kim Chong-il's Works, a national organization, adopting it as our common idea to advance always with him.

Ipolito Agire Carilljo, head of the "Juan Manuel Mena" Chorus, at the inaugural meeting of the Nicaraguan Group for the Study of Kimchongilism, said that Comrade Kim Chong-il is the great leader who is leading the world people's cause of independence at its head.

He stressed:

"The outstanding idea of Comrade Kim Chong-il is the ideological banner of the world revolutionaries.

"It is our great glory and pride that the study group has been named after the great leader of our era.

"We will always live and fight forever as followers and propagators of his revolutionary idea".

Foreign Papers Carry Kim Chong-il's Work

SK0812044194 Pyongyang KCNA in English 0400 GMT 8 Dec 94

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—The famous work of the dear leader Comrade Kim Chong-il "Socialism Is a Science" was carried by the Russian paper PODMOSCOWIE.

The paper printed a portrait of Comrade Kim Chong-il and the work under the headline "Kim Chong-il: Socialism Is Politics of Love and trust".

The work was also carried by the Norwegian paper FRIHETEN, the Egyptian paper SHABABU AL ARAB and the Finnish paper TYOKANSAN SANOMAT.

Kim Chong-il Sends Gift to Labor Meeting

SK0812013194 Pyongyang Korean Central Television Network in Korean 1100 GMT 3 Dec 94

[FBIS Translated Text] A meeting to deliver the gift of the great leader [yongdoja] of our party and people, Comrade Kim Chong-il, to the participants of the national meeting of labor administration functionaries [NMLAF] was held at the People's Palace of Culture on 3 December.

Comrade Han Song-yong, pertinent functionaries, and NMLAF participants attended the meeting.

There was a speech upon the deliverance of the gift. The gift sent by the great leader [yongdoja] of our party and people, Comrade Kim Chong-il, was delivered to all NMLAF participants.

There were discussions made to carry out relevant resolves. Filled with emotion, the participants talked about the fact: On the 15th anniversary of the publication of the great leader Comrade Kim Il-song's immortal, classical work "Let Us Thoroughly Accomplish the Socialist Labor Law," the dear comrade leader himself has planned [maryon] the NMLAF and has given the benevolent gift of love.

They said it is a natural duty and obligation for revolutionary fighters to return his love and trust with loyalty. They also firmed their resolve, saying: We will brilliantly carry through the party's revolutionary economic strategy and fully display the superiority of our style of socialism centered upon the popular masses by thoroughly implementing in singlehearted unity around the dear comrade leader the programmatic tasks given in the party Central Committee's congratulatory message to this NMLAF, keeping deep in our hearts the firm conviction that the great leader Comrade Kim Il-song is forever with us.

Filmmakers Laud Kim Il-song, Kim Chong-il

SK0712052594 Pyongyang KCNA in English 0431 GMT 7 Dec 94

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA)—A symposium of film makers was held here Tuesday to mark the 30th anniversary of the publication of "Let Us Produce Many Revolutionary Films Contributing to Revolutionary Education and Class Education," a famous work of the great leader President Kim Il-song.

In his historical speech delivered at an enlarged meeting of the Political Committee of the Central Committee of the Workers' Party of Korea which took place at the Korean Film Studio on December 8, 1964, President Kim Il-song set it as an important task of film art to produce many revolutionary films conducive to revolutionary and class education for the continuity of the revolution through generations and indicated concrete ways for its implementation.

The speakers said that his work serves as an ideological and theoretical weapon which gives scientific answers to the urgent questions raised by the time in the film domain and clarifies the mission and character of the chuche-based film art and the orientation and ways of film production.

They pointed out that since the publication of the work, a large number of revolutionary films conducive to educating and awakening the working people in a revolutionary way have been created under the energetic guidance of the dear leader Comrade Kim Chong-il.

Among them are "The Path of Awakening," "The Choe Hak-sins," and "The Story of a Detachment Commander", and "The Sea of Blood," "The Fate of a Self-Defence Corps Man," "The Flower Girl" and "An Chung- kun Shoots Hirobumi Ito," etc. adapted to movies from immortal classical masterpieces.

Yi Chong-ok Attends Film Studio's Meeting

SK0812052794 Pyongyang KCNA in English 0428 GMT 8 Dec 94

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—A meeting was held Wednesday here upon 30 years since the great leader President Kim Il-song guided an enlarged meeting of the political committee of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] at the Korean Film Studio on December 8, 1964.

In his historical speech "Let Us Produce Many Revolutionary Films Contributing to Revolutionary Education and Class Education," which was delivered at the meeting, President Kim Il-song clearly indicated tasks and ways for improving the film art.

Politburo member of the C.C., the WPK and Vice-President Yi Chong-ok, secretary of the C.C., the WPK Kim Ki-nam and other cadres were present at the meeting.

The participants observed a moment's silence to the memory of President Kim Il-song.

A congratulatory message of the WPK Central Committee to the entire writers, artistes and employees of moviedom was conveyed at the meeting.

The message says:

The writers and artistes in film art created and disseminated many films of diverse themes fully reflecting party policies in each period of the developing revolution by displaying a high degree of creative enthusiasm with intense loyalty to the party and the leader and thus contributed to developing the film art of the country and stepping up the modelling of the whole society on the chuche idea.

The WPK Central Committee highly estimates feats of writers, artistes and employees of moviedom who contributed to ushering in the great heyday of the chuche-based literature and art by creating and disseminating excellent films through the devoted struggle, deeply aware of their revolutionary duty.

Chang Chol, vice-premier of the Administration Council and minister of culture and art, made a report.

He called on the writers and artistes to create and disseminate more films high in ideological and artistic value and strong in appeal, thus contributing to educating party members, working people, People's Army soldiers and young people by implementing the behests of the great leader and the party's policy of effecting revolution in literature and art.

Kim Il-song, Kim Chong-il Guidance Commemorated

SK0712052094 Pyongyang KCNA in English 0426 GMT 7 Dec 94

[FBIS Transcribed Text] Kaesong, December 6 (KCNA)—A meeting marking the 40th anniversary of the on-the-spot guidance of the great leader President Kim Il-song to Kaesong municipality took place here on December 6.

The participants observed a moment's silence to the memory of President Kim Il-song.

Yim Su-man, chief secretary of the Kaesong Municipal Party Committee and chairman of the Kaesong Municipal People's Committee, said in his report:

President Kim Il-song visited Kaesong just freed from the ruling yoke of the U.S. imperialists and Syngman Rhee the puppet on December 9, 1954 and gave on-the-spot guidance to factories, farm villages, schools and other different domains in the city for three days. He met officials and indicated tasks facing the party and power bodies in the city. Later, he called at the city adjacent to the demarcation line on several occasions and put forward highly important tasks for the political, economic and cultural development and betterment of the people's living. And he wisely led the efforts for their fulfilment and showed deep loving care and solicitude for the people there.

The dear leader Comrade Kim Chong-il who is successfully carrying forward the revolutionary cause of President Kim Il-song guided the Kaesong municipality on the spot on several occasions and has sagaciously led it to implement the teachings of the fatherly leader to the letter. Therefore, Kaesong, once an insignificant commercial city, has turned into a city with a developed light industry and a city of history and culture.

The city's total industrial output has jumped 25.9 times, cloth output 95.2 times and grain output 3.1 times above the figures 40 years ago.

Envoys Pay Respects at Kim Il-song Statue

SK0812052594 Pyongyang KCNA in English 0422 GMT 8 Dec 94

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—Laotian Ambassador to Korea Ponmek Dalaloy called at the statue of the great leader President

Kim Il-song on Mansu Hill on December 6. He laid a bunch of flowers before it and observed a moment's silence to his memory.

Saying that the sudden death of the great leader of the Korean people Comrade Kim Il-song is, indeed, a great loss for the party, state and people of Laos, the ambassador noted that he had made great efforts to develop the friendly and cooperative relations between Laos and Korea.

Although Comrade Kim Il-song passed away, his feats will be immortal, he stressed.

Military attache of the Zimbabwean Embassy here Evans Zinyemba honored the memory of President Kim Il-song before his statue on December 7.

Noting that his excellency the great President Kim Il-song gave material and moral support to Zimbabwe from the days before she achieved independence, the military attache said that he was the best friend and savior of Zimbabwe.

Working People, Soldiers Honor Kim Il-song

SK0812104394 Pyongyang KCNA in English 1029 GMT 8 Dec 94

[FBIS Transcribed Text] Pyongyang, December 8 (KCNA)—Working people, soldiers of the People's Army and school youths and children across the country today called at statues of the respected leader President Kim Il-song and honored his memory upon the lapse of five months since he passed away.

Party and power bodies, administration and economic organs, central organs, units of the People's Army, public security bodies, organs of all levels, organizations, industrial establishments, cooperative farms, schools and families in Pyongyang laid wreaths and bouquets before the statue of President Kim Il-song standing on Mansu Hill.

Written in the ribbons hanging from the wreaths were "The great leader Comrade Kim Il-song will be immortal," "The great leader Comrade Kim Il-song will always be with us," "The revolutionary feats of the respected leader Generalissimo Kim Il-song will be immortal!" etc.

Working people of various social strata, People's Army soldiers and school youths and children observed a moment's silence, recollecting the glorious and brilliant revolutionary history and undying feats of President Kim Il-song.

Wreaths and bouquets were also laid before statues of President Kim Il-song at Kim Il-song University, Kim Il-song Military University, the Mangyongdae Revolutionary School and other places of Pyongyang, provincial seats, cities and counties.

Before the statues, the working people, soldiers and school youths and children pledged themselves to successfully carry to accomplishment the revolutionary cause of chuche, remaining loyal to Comrade Kim Chong-il, the great leader of our party and people, true to the intention of President Kim Il-song in his lifetime.

Kang Song-san, Others Honor Kim Il-song

SK0812145294 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 8 Dec 94

[FBIS Translated Excerpt] Marking the 30th anniversary of the great leader Comrade Kim Il-song's presiding over an expanded meeting of the Workers' Party of Korea [WPK] Central Committee Political Bureau at the Korea Art Film Studio on 8 December 1964, party and government cadres visited the Korea Art Film Studio and encouraged activities to produce films. [passage omitted on Kim Il-song and Kim Chong-il's leadership achievements for national art]

On 8 December, the Korea Art Film Studio was visited by Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of the General Staff of the Korean People's Army; Comrade Kye Ung-tae, Comrade Chon Pyong-ho, and Comrade Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Choe Yong-nim and Comrade Hong Song-nam, candidate members of the Political Bureau of the WPK Central Committee and vice premiers of the Administration Council; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Committee; Comrade Kim Ki-nam, Comrade Kim Kuk-tae, Comrade Hwang Chang-yop, Comrade Kim Chung-nin, Comrade So Kwan-hui, and Comrade Kim Yong-sun, secretaries of the WPK Central Committee; Comrade Kim Pok-sin, Comrade Kim Yun-hyok and Comrade Chang Chol, vice premiers of the Administration Council; chairmen and directors of Administration Council committees; responsible functionaries of central organizations; and party secretaries.

The party and government cadres and visitors laid wreaths and bouquets before the great leader Comrade Kim Il-song's statue erected at the Korea Art Film Studio and paid silent tribute in memory of the respected and beloved leader who devoted everything to realizing the people's freedom and happiness, as well as the popular masses' cause of independence, and to fully advancing chuche socialist literature and art in this land. [passage omitted on visitors' tour of studio]

Vanguards Rally Participants Arrive in Pyongyang

SK0812110494 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 6 Dec 94

[FBIS Translated Text] Participants in the meeting of the Chung Chun-sil movement vanguards arrived in the revolutionary capital Pyongyang by train today. A portrait of Comrade Kim Il- song, the great leader of our party and people, was hung at Pyongyang Station. Posters with the slogans "Long live the great leader Comrade Kim Il-song!" and "Long live the honorable Workers' Party of Korea!" were hung at the station.

Also seen at the station were posters with the slogans: "Let us thoroughly implement our party's revolutionary economic strategies," "Let us completely fulfill our loyal and filial duties for the party and the leader [suryong]," and "Welcome the participants of the meeting of the Chong Chun-sil movement vanguards."

Today all participants of the meeting came to Pyongyang from all over the country, including Kangwon Province, South and North Hamgyong Provinces, and South Pyongan Province.

Whenever the functionaries and working people from each region—who will participate in the meeting, being proud of their great success in making contributions to improving the people's living standard by vigorously carrying out the Chong Chun-sil movement, with boundless self-sacrificing spirit and genuine service, under the party's slogan "Serve the people"—arrived at the station, the working people of the capital city warmly welcomed them, waving flower bouquets to the music of the wind. Functionaries of sectors concerned warmly received the meeting participants.

The meeting participants who arrived in Pyongyang are filled with great revolutionary zeal to brilliantly implement the party's intent to constantly increase the people's living standard by more stoutly carrying out the Chong Chun-sil movement, taking the upcoming meeting as an opportunity to prove the justness and vitality of this movement and showing the superiority of popular masses-oriented socialism of our own style, as well as awakening themselves to their duties as the people's genuine servants.

South Korea

U.S. Commander on Role of Navy in DPRK Crisis

SK0812025694 Seoul YONHAP in English 0202 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—The deployment of the Aircraft Carrier Kitty Hawk in the East Sea during the Washington-Pyongyang nuclear talks pushed North Korea into making a deal, a U.S. naval officer claimed recently.

Vice. Adm. Archie Clemins, commander of the Seventh Fleet, said the Kitty Hawk was deployed off the Korean peninsula while State Department negotiators were trying to defuse a growing crisis over communist North Korea's suspected development of nuclear weapons.

The U.S. military newspaper STARS AND STRIPES, in its Thursday edition, quoted Clemins as saying that shortly after the carrier took up position, the two countries reached a deal on freezing the North's nuclear program in exchange for cooperation in developing alternative energy sources.

Clemins, who is currently coordinating Tandem Thrust '95—this year's largest Pacific military exercise—reportedly said that "we have been the 911 (emergency phone) number over the past few years." He noted that the United States was ready to stage an armed show of force when tensions heightened in Haiti and during the nuclear talks with North Korea.

The paper also quoted Rear Adm. Herb Brown, in charge of the exercise's mock air strikes, as saying: "I am convinced a show of force works. It makes them scratch their heads first when they know we are out there. Nobody is going to sink a carrier. We are very well guarded."

North, U.S. Hold Second Day of Talks on Liaison

SK0812025494 Seoul YONHAP in English 0231 GMT 8 Dec 94

[FBIS Transcribed Text] Washington, Dec. 7 (YONHAP)—The United States proposed exchanging low and small-scale liaison offices with North Korea with the same privileges and immunities as granted to diplomatic offices and free travel across the inter-Korean truce border, sources here said Wednesday.

Washington and Pyongyang officials met for a second day in the U.S. capital to discuss swapping liaison offices, part of the Oct. 21 nuclear settlement.

The negotiators declined to give details, saying they will be ready to reveal the contents after the talks end on Friday.

Inside sources said the negotations were based on the overall principle that the liaison offices should start at a small scale with privileges and immunities granted to diplomats under the Vienna convention.

The American side reportedly proposed naming a member of its State Department, lower than a director, to head its office in Pyongyang and gradually upgrading the level depending on how bilateral relations progress.

It was not immediately known how Pyongyang reacted.

The sources said the two sides also agreed on bringing in communications facilities.

The talks dealt mostly with practical issues such as office leases and use of duty-free shops, while skirting items deemed controversial.

Washington wants its liaison officials in Pyongyang to be able to travel freely across the Korean truce line, but North Korea refuses on the ground that the line is not a national border but a military demarcation.

The North Korean delegates have said such free travel may be permitted only after the two sides sign a peace treaty.

Lynn Turk, chief U.S. delegate to the negotiations, will urge North Korea to engage in inter-Korean dialogue although the issue is not pertinent to this particular meeting, the sources said.

North Delegates to Liaison Talks Tour Washington

SK0812042894 Seoul YONHAP in English 0145 GMT 8 Dec 94

[FBIS Transcribed Text] Washington, Dec. 7 (YONHAP)—North Korean delegates in Washington for nuclear negotiations are extensively touring a city that is otherwise forbidden to North Koreans.

U.S. State Department officials are guiding the five delegates, who did some sightseeing on Tuesday and Wednesday, maximizing their time off between the negotiations.

Wednesday's session, the second day of talks, was scheduled for 2 PM, allowing for a morning tour of the Smithsonian Institution and the Congress.

The North Koreans saw the Lincoln and Jefferson Memorials and the White House Tuesday, taking a ride on the metro, Washington's subway system.

Pyongyang and Washington have no formal diplomatic ties, and the nuclear delegation is the first to ever visit the U.S. capital.

—The delegation will be welcomed and treated to a dinner Saturday by a friendship group of Korean-Americans originally from Hamgyong Province in North Korea.

Chu Nam-hun, chairman of the group, wanted to have the dinner on Thursday but the U.S. side objected to such an event while the delegates were in the middle of negotiations.

Chu, president of the Washington office of the South Korean daily SEGYE TIMES, denied any political coloring to the dinner, calling it just a chance to welcome people from the same area, not because the group is a pro-North Korean Association.

"The welcoming speech will only be about separated families," he said.

Some 180 families are registered with the 13-year-old group which also has 18 member families outside of Washington. The same group hosted a welcoming celebration for North Korean actors who came to New York in 1992 for a film festival.

To prove that there is no political intent, the group reportedly refused an offer by the Association for Peaceful Reunification of the Fatherland in Washington, known for its pro-Pyongyang inclinations, to co-host the dinner.

—Because the two sides have no diplomatic relations, and also out of concern that telephone conversations will be tapped, the North Korean delegates have no choice but to communicate with their home government through the UN Mission.

They said they will be delivering and receiving documents carried by cars going back and forth between New York and Washington.

—A North Korean delegate confirmed reports that the United States wants free travel across the inter-Korean border for Americans posted to the liaison office in Pyongyang, while also verifying North Korea's refusal.

"Panmunjom is not a national border but a Military Demarcation Line," said this official.

"It hurts enough that not even Korean people can travel freely through Panmunjom. It is out of the question that only American diplomats should be allowed to cross through Panmunjom," he said, adding that such free travel would become possible if the two sides signed a peace treaty.

Officials here say the North Koreans seem more concerned that giving the U.S. diplomats such privileges would force them to offer the same right to other diplomats currently stationed in Pyongyang.

More on ROK Company Supplying Oil to DPRK

SK0812074194 Seoul YONHAP in English 0735 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—A South Korean oil company has won the right to supply the first shipment of heavy oil to North Korea in accordance with the Washington-Pyongyang nuclear accord reached in Geneva.

Honam Oil Refinery Co. announced Wednesday that it landed the contract to supply 50,000 tons of bunker c oil with 2-percent sulphuric content at 13.7 U.S. dollars per barrel (84.3 dollars per ton) on a free-on-board (FOB) basis in an international bid conducted by the U.S. Defense Fuel Supply Center on Nov. 29.

The oil will be delivered directly from the company's Yeochon factory to the North's Sonbong port by a U.S. tanker.

The supply period runs between Dec. 15 and Dec. 31.

The oil will be used at a power plant now under construction in the Rajin-Sonbong free trade zone.

At the Geneva talks in October, Washington and Pyongyang agreed that the United States would provide the North with alternative energy through the year 2003, when two light-water reactors are to start operating, on condition that the communist nation halt its nuclear activities.

Domestic companies Yukong and Hanwha as well as Mobile Singapore took part in the international bid, with South Korean firms likely to win future bids as well since they boast an edge in delivery conditions such as transport costs.

Business sources forecast, however, that Honam will not earn big profits as the current bunker c oil price in the Singapore spot market stands at 13 to 14 dollars per barrel.

The company revealed that the bid was not a long-term but a one-off contract and that the United States has yet to announce the date for the next round.

In the meantime, Honam is following legal procedures including submission of an application to ship the oil to North Korea.

Major Firms Permitted To Visit North 'Soon'

SK0812005694 Seoul YONHAP in English 2354 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—The government will soon authorize six or seven companies including Hyundai, Samsung and Daewoo to dispatch personnel to North Korea.

Deputy Premier and National Unification Minister Yi Hong-ku, aboard a plane taking him back from a four-day visit to Germany, Wednesday [7 December] told YONHAP News Agency: "The administration will approve within this week visits to the North by officials concerned of six or seven enterprises."

On the timing of the trips, Yi said, "I don't think the enterprises intend to hasten the visits within the year. Most of the enterprises are supposed to send their men to the North early next year."

He added, however, that "the specific timing of the visits will have to be fixed with the position of the North Korean inviters taken into account." He thus did not exclude the possibility that some firms may send employees to North Korea this year.

Yi did not name any of the companies involved but Hyundai, Samsung and Daewoo are reportedly on the list.

Referring to the restructuring of the National Unification Board, Yi had this to say: "The matter will be prudently studied with overall consideration given to the reorganization of the central administration structure, organizational revamping of related government agencies and adjustment of the manpower quota."

Firms Conduct Preparations To Visit DPRK

SK0812043594 Seoul YONHAP in English 0150 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—Large South Korean business groups, which have already completed preparations for visiting North Korea, are expected to converge on the communist country early next week when the government is likely to make an official announcement on the matter.

Samsung has wrapped up all advance preparations and group applicants, including Samsung Electronics Co. (SEC) Chairman Kang Chin-ku, received visas through contacts with North Koreans in Beijing last week, business sources said Thursday.

Of the 20-odd petitioners among the group's presidents, a 10-member inspection team including Kang, SEC Vice Chairman Kim Kwang-ho and Samsung Corp. President Sin Se-kil will leave Seoul next Monday or Tuesday for Pyongyang via Beijing aboard an Air Koryo Flight upon receiving government approval, according to the sources.

Expecting the go-ahead to come around next Monday, the Lucky- Goldstar (LG) Group will reportedly dispatch a 10-member team led by LG International Corp. President Pak Su-hwan right after the government's announcement.

While in the North, the LG team will discuss joint ventures with Kim Chek Iron Foundry and Sungni Automobiles as well as consult on expanding the processing-on-commission (POC) business now in progress, the sources said.

The Hyundai Business Group is also poised to send a 15-member delegation, including honorary Chairman Chong Chu-yong, to North Korea next Thursday by land via the border City of Tumen along the Amnok River.

The delegation is set to discuss the development of Kumkangsan (Mt. Diamond) and construction of the Wonsan shipyard.

The Daewoo Group, which agreed to a pilot joint project with the North in 1992 and thus did not submit any applications this time, plans to have 20 engineers who will work at a POC factory in the Nampo Industrial Complex apply immediately after the government announcement, the sources said.

The business group has already secured sewing facilities worth 5 million U.S. dollars which will be installed in three factories at the Nampo Complex.

Defection of DPRK Soldier to South Announced

SK0812095194 Seoul KBS-1 Radio Network in Korean 0930 GMT 8 Dec 94

[FBIS Translated Text] The Agency for National Security Planning today announced that Choe Sung-hak, 23, a sergeant belonging to the North Korean Army's security brigade, defected to our country through a third country in Southeast Asia. The NSP is presently investigating the motives and route of his defection.

The NSP also revealed that Choe Sung-hak, sergeant of the North Korean Army, stated that he has been listening to our broadcasts since 1991 and decided to defect.

'Preparatory Plans for Integration' Examined

SK0812071094 Seoul TONG-A ILBO in Korean 8 Dec 94 p 2

[By correspondent Pak Chae-kyun from Berlin]

[FBIS Translated Text] A high-ranking ROK Government official said on 7 December that the ROK Government is examining a plan where if North Korea were to collapse abruptly, North-South economic integration would be delayed while efforts are made to pursue political integration as soon as possible.

The government is examining the plan to delay economic integration because the government believes it will be difficult for the ROK Government to take on the economic burden if North-South political and economic integration is achieved simultaneously.

The government reportedly came to such a conclusion after studying the case of East-West Germany's integration since 1990 and reflected this opinion in its "preparatory plans for integration" which it mapped out last year.

The government estimates that expenses for German unification will amount to five to 10 trillion German marks (2,500 to 5,000 trillion won). It also estimates that expenses for North-South reunification will amount to a minimum of hundreds of trillion won, or a maximum of thousands of trillion won.

Russian Province Seeks Investment by Koreans

SK0812072594 Seoul THE KOREA HERALD in English 8 Dec 94 p 8

[FBIS Transcribed Text] The Irkutsk Region of Russia with rich natural resources wants more Korean businesses to invest in its development projects, a top administrator of the Russian province said yesterday.

"We invite Korean companies to participate in joint-venture projects," B.A. Vassiliev, vice governor of Irkutsk, said at a news conference. "We are ready to cooperate with Korean firms on this matter."

Korean companies will be especially welcome in oil and gas exploration, which can later be supplied to Korea.

Also open to Korean investments are projects such as gold and coal mining, timber-processing and construction of infrastructure, Vassiliev commented.

He is currently visiting Seoul, leading a 170-member investment and trade mission. An explanation session on trade and investment in Irkutsk was held at the Korea Chamber of Commerce and Industry yesterday, cosponsored by the Korea-Russia Far East Siberia Association and the Russian trade representative office in Seoul.

Korean companies will find great investment potential in Irkutsk which has large reserves of natural resources and is one of the most fast growing provinces of Russia.

Korean business groups such as Samsung, Hyundai, Daewoo and Lucky-Goldstar are advancing into the region, while 10 Russian-Korean joint-venture firms have been set up as of October this year, Vassiliev said.

Korean firms investing in Irkutsk will also be granted tax breaks he added.

In the first nine months of this year, bilateral trade amounted to $10 million.

Ruling, Opposition Continue Deliberation of WTO

SK0812072894 Seoul THE KOREA TIMES in English 8 Dec 94 p 2

[FBIS Transcribed Text] Rough sailing is seen in the National Assembly in the course of deliberating a legislation for ratifying the creation of the World Trade Organization (WTO) because of the wide gulf of differences between rival parties.

The National Assembly began deliberating the WTO bill yesterday with the opposition Democratic Party [DP] separately submitting a draft for a special law designed to protect the domestic farm industry as a precondition for ratifying the controversial bill.

At the Assembly Foreign Affairs-Unification Committee, ruling Democratic Liberal Party [DLP] and DP lawmakers debated on the relevancy of the institutionalization of a special law domestically governing the implementation of the Uruguay Round [UR] accord, the charter for the new global trade order highlighted by the inauguration of the WTO.

The UR agreement cuts tariffs by an average of 38 percent worldwide. For the first time, it extends GATT rules to such new areas as reduction of trade-distorting agricultural subsidies and liberalization of farm produce trade.

DLP lawmakers called for early ratification of the WTO bill before its launching next January, saying that the WTO bill is an international treaty whose phrases cannot be tampered with.

"All we legislators can do is approve it or not," Rep. Ku Chang-nim of the DLP said.

DP lawmakers said that it is possible for the Assembly to write complementary measures to the WTO bill for the sake of national interest, like the case of the U.S. Congress which ratified the new GATT rules recently with attachment of several clauses which give priority to U.S. sovereignty over the global trade pact.

Rep. Kim Yong-chin of the DP said, "Why can't we take similar steps now that it is obvious Korean farmers will be victims hardest hit by the UR agreement?"

The draft for a complementary law to the WTO legislation stipulates that any clause in the UR accord should not outweigh Korean domestic laws and its sovereignty.

The supreme council of the opposition party approved the draft unanimously yesterday.

The draft allows the government to take reciprocal retaliatory steps when any WTO member countries do not abide by the new GATT rules.

It also stipulates that trade between South and North Korea are domestic deals which should not be governed by the new global trade rules.

According to the DP draft, qualification of importers of agricultural products, whose imports will have serious impacts on farmers, should be limited to government or state-invested corporations or farmer associations.

The DP draft also calls for imposition of special tariffs in case of steep increase in imports of certain agricultural produce or drastic plunge of their prices on international markets.

It also allows the government to impose a special levy or ban imports of certain items in case of unfair practices of certain member countries.

The draft also calls for the government to slap an emergency import ban on environmentally harmful products.

DLP lawmakers aired negative views on the DP's suggestions, saying that their implementation is impossible.

They said that the U.S. Congress complementary steps on the WTO bill was made possible due to their legal system which is different from that of Korea.

"In the U.S., the Congress has the right to sign treaties as far as external trade is concerned. In Korea, the president is responsible for this matter," Rep. Ku of the DLP said.

Universities To Incorporate 'Globalization' Policy

SK0812083294 Seoul YONHAP in English 0710 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—Beginning next year, universities and colleges will be given more leeway to set up or abolish departments and faculty positions and to increase or reduce their freshmen quotas within the established boundaries, the Ministry of Education announced Thursday.

The ministry will also give colleges and universities the authority to decide on the student quota for groups of related faculties from 1996 before lifting all restrictions on student quotas at institutes of higher learning in 1998, under measures for promoting self-regulation of policies at tertiary educational institutions released by the ministry.

It will also abolish regulations on the division of semesters, minimum credits for graduation and standard credits to be earned each semester, paving the way for colleges and universities to introduce a three-semester or quarter system and charge tuition in accordance with units taken by students.

Moreover, the ministry decided to revamp regulations on college student quotas and school affairs starting in February to implement the new measures from next year, one year earlier than originally scheduled.

"The ministry decided to take steps to give tertiary schools autonomy to decide their student quotas and other educational matters so they could cope with globalization in an active manner," Education Minister Kim Suk-hui said.

"The ministry will also revise and reinforce curricula for primary and secondary schools and the training system for teachers for the globalization of education," she added.

In one of the revisions, the ministry is studying merging the current 18 to 22 subjects for high school students into about 12 in an effort to ease the burden on students, possibly from 2001, according to ministry officials.

To help teachers absorb up-to-date teaching theories, the ministry is expanding teachers' training courses—currently available only at 16 state-owned colleges—to 62 private colleges and universities next year, they said.

The ministry may give teachers who take the training courses a variety of benefits including allowances and promotions.

Teachers are currently encouraged to take training courses every five to eight years, but they will have to do so every two or four years from 1995, the officials noted.

Trade, Industry Ministry Revises Downsizing Plan

SK0812083394 Seoul YONHAP in English 0713 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—The Trade, Industry and Energy Ministry has formulated a proposal on reducing its downsizing to just over half the original plan, officials said Thursday.

The ministry, to be renamed the Trade-Industry Ministry under a massive government reorganization announced last week, wants to close down 15 to 16 divisions instead of 28, the officials said.

It currently has three assistant ministers, 12 directors-general and 67 divisions. Under the original plan, this arrangement has to be downsized to one assistant minister and four directors-general with five divisions under each director-general, which would reduce the number of divisions by 28.

Ministry officials said about half of the 835 employees at the director-or below-levels will be without office positions, which may even paralyze daily operations.

The new plan places six divisions under each director-general and four under each office with another two or three under the assistant minister for planning and management.

The officials said this will trim 15 to 16 divisions.

Ministry, EPB Merger To Eliminate Divisions

SK0812083494 Seoul YONHAP in English 0623 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—The Economic Planning Board (EPB) and the Finance Ministry will eliminate a combined 26 divisions when they merge into the new Board of Finance and Economy (BFE), comprising 67 divisions in four offices and four bureaus.

This plan will be finalized in consultation with the Government Administration Ministry by the weekend and referred to the Legislation Ministry early next week for legal scrutiny.

The two agencies will each remove four of their eight divisions—information, auditing, emergency planning, planning and budgeting, administrative management, legal affairs, secretariat and general affairs.

The EPB will scrap four divisions of the performance evaluation bureau as jobs there are to be transferred to the office of administrative coordination under the prime minister, while moving the privatization division and the state-invested enterprises evaluation division to the BFE's treasury bureau and the budget office, respectively.

It will also reorganize the six-division economic planning bureau and the five-division industrial policy coordination bureau into a six-division economic policy bureau under the BFE and move positions in the Economic Planning Bureau related to real estate, wages and environment to the BFE's national life bureau.

The EPB's five-division international policy coordination bureau and the Finance Ministry's four-division economic cooperation bureau will be reshuffled into the BEF's five-division international economy bureau, with the two bureaus trimming two divisions each.

The 16-division budget office of the EPB will move to the BFE intact, although division names will change because the BFE is poised to take over some jobs from the EPB's performance evaluation bureau.

Therefore, the EPB will do away with 15 divisions for the merger and the Finance Ministry 11 divisions.

Projected Savings From Reorganization Viewed

SK0812110794 Seoul YONHAP in English 1051 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—The on-going government reorganization would result in the saving of up to 35 billion won in the national budget a year, according to the Economic Planning Board.

A tentative analysis made by the board's budget office showed Thursday the estimate was drawn on the premise that about 1,000 public officials whose posts would be obliterated in the revamping would be removed from the government pay roster.

The 1,000 officials to be affected would include two ministers, three vice-minister-level officials, four rank-1 officials, 23 bureau-chief-level ones, and about 100 rank-4 division-chief-level officials.

If the affected 1,000 people were not removed immediately and given some other posts or opportunities to undergo training at government expenses, there would be no effect of budgetary saving at all, the analysis said.

Even if the 1,000 were laid off, the reorganization would have a negligible effect in terms of fund saving, given the enormous government personnel expenditures which total 7,080 billion won in the 1995 national budget.

However, when future savings are added together, the amount would be not so small and, besides, the effect of more effective policy implementation stemming from the reorganization would be great, the analysis added.

'Special Allowance' for Top Performers Planned

SK0812110594 Seoul YONHAP in English 1035 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—The government has decided to pay a special allowance to "good performance" public officials beginning next year.

The Government Administration Ministry reported Thursday that public officials eligible to the annual "achievement allowance" in amounts of up to 100 percent of one's salary, will be those among rank-5 and lower officials who would be among top 10 percent in performance.

Those among top 3 percent will be paid 100 percent of their basic salaries in "achievement allowance," those within top 3 to 7 percent 75 percent of their salaries, and those within top 7 to 10 percent half of their salaries, it said.

Saying it would revise relevant laws to facilitate the system in the first half of next year, the ministry said that when the system takes root, the scope and extent of the allowance would be expanded.

A rank-7 official with a pay step of 10, for instance, would receive 651,500 won in an "achievement allowance" if he is included in the "top 3 percent" category, 488,600 won if in the "top 3-7 percent," and 325,800 won if in the "top 7-10 percent" category, the ministry said.

Government Criticized for Industrial Policy

SK0812072394 Seoul THE KOREA TIMES in English 8 Dec 94 p 8

[Report by Kim Chang-yong]

[FBIS Transcribed Text] In the eyes of existing auto companies and independent analysts as well, the Kim Yong-sam administration appears to be playing hard and fast with public policy and even trust giving a private conglomerate the green light to produce cars in its power base.

"The administration is inconsistent and has lost the people's confidence," said an economist who asked not to be named. "Who will follow its policy of having large groups specialize in two or three industrial fields now that Samsung has been allowed to pour a huge amount of money in a new sector?"

Many officials in and outside the Trade, Industry and Energy Ministry that gave the permission, were also concerned over the impact of the approval on future policy, believing that the abrupt decision was prompted by political needs rather than economic considerations.

Deregulation? Globalization? Deregulation and globalization indeed!" a senior Economic Planning Board official quipped, ridiculing Trade Minister Kim Chol-su's grand causes for his sudden shift of position in favor of Samsung.

It is widely said that the number two group effectively moved in the political theater and that the decision came from Chongwadae [presidential offices].

As Kim's ministry had been reluctant to accept its application for a technical tie-up with Japan's Nissan Motor Co., Samsung adroitly rekindled the controversial regionalism in Pusan just as it did two years ago, leading Pusan politicians and businessmen to plead for the setup of an auto plant there.

In the final days of the previous No Tae-u administration in 1992, Samsung proposed to establish a truck plant in Taegu, the third largest city following Seoul and Pusan and No's political hometown, and got approval for the project.

"Pusan citizens were deceived," an auto industry expert said. "The Pusan tract offered to Samsung is no more than 1.6 million square meters and is priced at as high as 750,000 won per 3.3 square meters. Samsung will need a much vaster site at a much lower price.

Analysts view that the one who will benefit most from the government's action is Nissan and that Samsung will be nothing but an agent in a "proxy war" by the Japanese automaker which produces more cars than the combined number put out by Korea's six companies, large and small.

"This is a great deal for Nissan. It will export its facilities in Jama, Japan, which have already been shut down because they made losses. It will receive royalties for the technical transfer and each unit produced," said Kim Cha-chung, an economist at Korea Auto Manufacturers Association.

Nissan will hold sway over Samsung as long as the latter depends on it technically, and for five years at least, according to him.

In fact, some local automakers have maintained alliances with Japanese giants though the administration has barred imports of finished cars from Japan in a desperate attempt to improve the snowballing trade deficit with the neighboring country.

Mitsubishi has a 10 percent share in Hyundai Motor and Mazda and Itotsu have 8 percent and 2 percent shares in Kia, Ford also has a 10 percent share in Kia and Daimler-Benz has a 5 percent share in Ssangyong which produces only four-wheel drive vehicles.

Daewoo, which ended a 50:50 joint venture relationship with General Motors recently, assembles Honda's Legend luxury cars with about half of their components shipped directly from Japan.

"Without technical independence, plus enormous capital," Kim Cha-chung warned, "Samsung will be a permanent subcontractor functioning just as an assembly line and an easy marketing channel for the Japanese producer." Hyundai, Kia and Daewoo have about 10 models developed with their own technology.

"You can call a Samsung car anything with a Samsung emblem?" bellowed Kia director Roh Seo-ho.

Existing carmakers doubt that Samsung will abide by its memorandum, signed by its chairman Yi Kon-hui and his top deputies and presented to the ministry yesterday. On the document were promised 30 percent of production exported by 1998, 80 percent localization ratio by 2000 and development of its own model by 2003.

"If Samsung increases exports, this will mean more imports of Japanese components. If Samsung increases localization, this will mean scouting of skilled workers from existing companies and disturbing the domestic component market," remarked Kim Chong-to, Daewoo's chief of public relations.

Nissan Welcomes Approval of Samsung's Auto Plan

SK0812013794 Seoul YONHAP in English 0104 GMT 8 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 8 (YONHAP)—The Japanese automaker providing technology to the Samsung Group has welcomed Seoul's approval of Samsung Heavy Industries Co.'s car production plan.

Nissan Motor President Yoshibumi Tsuji said in a statement Wednesday [7 December] afternoon that he welcomes the South Korean Government's go-ahead for Samsung's automobile production plan, adding his company would send engineers to South Korea to help Samsung Heavy Industries produce automobiles.

Under a technology tie-up with Samsung Heavy Industries, Nissan will provide Samsung with 2,000cc [cubic centimeter] car production know-how for 6.76 billion yen in fixed royalties plus 1.6-1.9 percent of sales prices in technical licensing fees.

The tie-up with Samsung is expected to ease the Japanese firm's losses and may help it become more profitable, as it can now advance jointly with the Korean firm into lucrative Asian car markets.

In particular, if Nissan supplies its cars to these markets on an Original Equipment Manufacturing (OEM) basis through Samsung's sales networks, it will rake in huge profits.

The Japanese firm is considering making inroads into the Chinese market in collaboration with its Korean partner.

Nissan will send some 120 engineers and technicians to Samsung Heavy Industries early next year in support of the latter's preparations for car production, while training about the same number of Samsung workers in Japan.

More on Auto Labor Unions' Threat To Strike

SK0812072694 Seoul THE KOREA HERALD in English 8 Dec 94 p 3

[FBIS Transcribed Text] Labor unions at five domestic carmakers and component parts manufacturers yesterday resolved to go on strike from 8:30 am today to protest the government's approval of the Samsung Business Group's plan to produce passenger cars starting 1998.

The unions involved represent Hyundai Motor Co., Daewoo Motor Co., Kia Motors Corp., Ssangyong Motor Co. and Mando Machinery Corp.

Three more labor unions from Hyundai Motor Service Co., Daewoo Motor Service Co. and Kia Motors Service Co. are expected to go on strike soon as union leaders have decided to hold a vote of their union members to join the strikes.

The strike vote came after over 5,000 unionists from nine existing carmakers and component parts manufacturers held a rally to protest Samsung entering the passenger car business in front of the Integrated Government Building in Kwachon, south of Seoul, yesterday afternoon.

Meanwhile, the Federation of Korean Trade Unions, which is the nation's largest labor association authorized by the government, said that Samsung's participation in the passenger car business may cause excessive competition amongst domestic car manufacturers.

The labor organization was also worried that the government's approval of Samsung's passenger car business may end up weakening the international competitiveness of domestic carmakers.

Auto Labor Unions Strike 8 Nov

SK0812121694 Seoul YONHAP in English 1142 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—The labor unions of four motor companies and an automobile parts firm entered a general strike Thursday in protest against the government's recent permission of car-making business by the Samsung Business Group.

The striking unions were of the Kia, Daewoo, Asia and Ssangyong Motor Cos. and a parts supplier. The unions of Hyundai Motor, Hyundai precision industries and most parts producers did not join. A spokesman for the participating unions said they would carry on the strike at least until Saturday and would then decide whether to further continue the strike.

The striking workers are to stage public rallies in ten cities across the country such as Ulsan, Changwon, Ansan, Kwangju, Pyongtaek and Suwon simultaneously at 2 PM Friday.

An observer said that though the motor unions vow to continue to strike until the government retracts its permission of Samsung's Motor Business, the strike won't last long as the largest motor union, Hyundai Motor Union, is staying away from the current strike.

Union leaders of Hyundai Motor and Hyundai precision discussed the strike Thursday morning but decided not to join it because the strike would have "little effect."

* Kim Yong-sam Human Rights Performance Assessed

952C0015B Seoul CHUGAN CHOSON in Korean 13 Oct 94 pp 88-89

[By reporter Sin Chong-nok: "The Kim Yong-sam Government's Human Rights Record: KBA Issues Its '1993 Human Rights Report'"]

[FBIS Translated Text] Human rights improvement is the objective and yardstick of reform and democratization. Reform takes the form, for example, of the past being liquidated or laws and systems amended or abolished, but its final fruit is human rights improvement. Then, how did our human rights situation change in 1993, the year marked by the strong wind of audit and inspection that swept the country?

"Partial improvements were observed but the limitations were also in evidence."

So says the Korea Bar Association [KBA] in its "1993 Human Rights Report" issued recently. The government's reform program, it says, showed its limitations as well as its successes and so did its human rights improvement effort. Improvements listed in the report are generally as follows:

Human rights violation cases—such as wiretapping and surveillance, methods used by public security authorities in the past in the course of their exercise of investigative power—considerably decreased. Instances of torture also decreased. The curb put on the "authoritarian age" public security power, including that of the Agency for National Security Planning and the Defense Security Command, was one of the most important accomplishments of the civilian government since its start. In particular, the regime was free from the legitimacy dispute for good, a development absolutely necessary for expanded guarantees of human rights in the future.

Meanwhile, as the "limitations" that became evident, the report cites these facts: Investigative agencies were found carrying on the old way of obtaining confessions. Also left in place was the National Security Law, which seriously violates the freedoms of thought and expression which are fundamental human rights and is even prejudicial to the right to life. In the period from the start of the civilian government to the end of 1993, 103 persons were taken into custody on charges of violating this law. Virtually no organizational reform of the judicial branch was carried out. Especially, the task of "liquidating the past in personnel management" was not even touched. Also, restrictions of the freedoms of thought, assembly, and association involving educational, labor, and farm communities were observed.

The report views those human rights limitations as reflecting the fact that the core force of the ruling party (the main force of reform) was unable to push reforms more consistently because of its cohabitation with the "conservative force," and that boosting the nation's economic strength became the government's top priority amid an onrush of liberalization demands.

The voluminous, 630-page report, reminiscent of a government white paper, consists of six chapters—the right to life and personal liberty; the freedom of expression; the rights of farmers and fishermen, the urban poor, the aged and handicapped, children and women; the environment right and the right to health; the rights of workers; and the justice system and human rights.

The report sees a nation's human rights situation as reflecting its political balance. It is determined by the same structural factors that decide the political balance. The report also proceeds from the critical consciousness that our present human rights situation is a product of our society's political and social history and a factor that determines its future. The human rights record is a barometer showing how democratic and rational a society is. The report maintains that for dissemination of the human rights awareness, the government should make a rule of compromise acceptable to all social strata.

First, the right to life and personal liberty: This is the most fundamental human rights area in which the public interest of criminal justice clashes head-on with the private interest of individual freedom. The court, while gradually perceiving problems in the present practice of physical detention, appeared to be endeavoring to improve it; the prosecution, however, the report notes, showed no change in its consciousness.

The KBA report cites as a typical example of investigative power abuse the case of Kim Ki-ung, an officer of the Sinnim 9-Tong police box under the Kwanak Police Station, Seoul, who was charged in a love murder case of 9 December 1993 and sentenced to 12 years in prison at the first and second trials but later released while waiting for a final judgment of the Supreme Court upon the arrest of the true culprit. It also touches on the case of No Tae-hun, who was arrested on 6 July 1993 on the suspicion of forming an antistate organization with links to Chongnyon in Japan, but was subsequently charged with possessing materials containing subversive expressions and taken into custody as the investigation produced no evidence to back up the suspicion. The report characterizes the case as a grave human rights violation.

The report observes that torture and brutality cases sharply decreased but were not completely gone. In the January-August, 1993, period, 444 civil petitions were filed against investigative agencies' illegal searches and human rights violations, a number more than that for the whole year of 1992, which was 423.

The report stresses that prison inmates are in the dead ground of human rights. Although correctional facilities were expected to play an educational role for inmates to help them develop social adaptability and return to society, there were no signs at all of such an environment being created. It cites, as the most glaring example of problems in the human rights record involving inmates the fact that the 39 prisons and detention houses across the country, housing a total of more than 53,000 inmates, were found having only a dozen or so of full-time physicians altogether as of the end of 1993. Conversely, incidents of hunger strikes and sit-in protests by inmates decreased nearly to a half of 1992.

Another striking point in the report is its stress on the need for preparing comprehensive measures for victims in major accidents, suicides, and mental patients as soon as possible to "guarantee the people's right to life."

In regard to the freedom of expression, the report says that there was limited progress but no major improvement. In particular, it maintains that there were even signs of the National Security Law being abused by public security authorities eager to preserve their turf. It refers to the fact that the state—which has no authority to punish by law any research activity on a specific ideology—made a wholesale arrest of those having organized a research group on socialism or input materials defending socialism in computer networks. The report labels the case as an example of infringement on academic freedom.

The report views the freedom of assembly and association as having improved substantially. In the period from the start of the Kim Yong-sam government to 31 August 1993, 3,593 rallies and demonstrations were reported with the total attendance exceeding 1.5 million. Those numbers were close to the previous year's but the number of arrests made sharply decreased. Nonetheless, compared with the initial days of the regime, the control of rallies and demonstrations gradually intensified. This is a matter of grave concern, the report notes.

The report puts its heart and soul in the chapter dealing with issues of the right to live and social security involving the socially and economically weak—farmers, fishermen, the urban poor, the aged and handicapped, and children and women. In 1993, the World Conference on Human Rights was held for the first time in 25 years and vigorous efforts were made to find ways and means to diffuse the concept of universal human rights rather than that of human rights issues relating to ideological confrontation. The KBA report was effectively in consistency with those global trends.

In this connection, the report notes the government's economic policies revolving around the efficiency factor as the biggest problem. It says that under the influence of the economic policies attaching importance to competition and self-regulation, and of the Uruguay Round accords, the worker and the socially and economically weak were again required to face competition and share the burden. Evidence showing this development, it says, included the established stance viewing the wage as an instrument of price control policy, the withdrawal of the "partial pay for no work" principle [and replacing it with the "no work no pay" principle], and the claims for damages filed against labor union officials. Also, according to the report, the government left the issues of fostering small businesses and agriculture and improving the distribution system to be decided by the principle of competition, instead of using policy means to resolve them and restructure the economy. This apparently made it difficult to redress flaws of the growth policy heretofore dependent on *chaebol* [conglomerates]. In short, the report views it as inevitable that human rights will again deteriorate as long as the government is preoccupied with its economic drive for competitiveness.

The KBA report points to the judicature as one of the branches having aroused most distrust among the public in the course of reform. In response, authorities launched relatively vigorous debates on judicial reform as seen in the creation of the Judicial System Development Committee; however, such debates focused on technicalities of efficiency and rationalization of the system in general rather than on its independence and democratic operation. Thus, the report notes, the government fell short of a thorough conduct of reform. It also says that the KBA delivered a letter to Chief Justice Yun Kwan stating that judicial reform efforts were focusing only on operational improvement and evading the basic issues such as the justice system securing its independence from political influence. But the letter produced no particular result, says the report.

In conclusion, the report assesses the 1993 human rights record as follows:

"It can be said that the various reform measures pressed by the civilian government in the political and economic branches under the 'reform of upper levels first' slogan contributed to enhancing the rationality of the system and the public's consciousness. However, when viewed from the standpoint of human rights, the 1993 reforms are open to criticism that they were exceedingly inadequate."

The report was produced by a joint work of 30 lawyers of the Human Rights Committee (chaired by Choe Yong-do), a KBA-affiliated group.

Defense Minister Yi Addresses Military Meeting

SK0812030394 Seoul YONHAP in English 0238 GMT 8 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 8 (YONHAP)—Defense Minister Yi Pyong-tae said Thursday that in the coming year the military should back up national development more strongly by further consolidating the country's security posture, exercising full peacetime operational control of the Armed Forces and contributing to Seoul's international trade competitiveness by pursuing a globalization policy in the defense field.

Addressing a meeting of major commanders of the three services he himself presided over at the Defense Ministry, Yi called 1994 a trying but memorable year for the military: Trying because its pride and honor were tested by a number of disciplinary incidents and memorable because it took over peacetime operational control from the United States to lay the foundation for defense self-reliance.

It was pointed out that inter-Korean military confrontation has been intensifying since Kim Il-song's death in

July, as Pyongyang sticks to its military-first policy by beefing up the Armed Forces.

The participating commanders agreed on the need to strengthen the South's war preparedness while observing how North Korea is implementing the nuclear agreement reached with the United States in Geneva earlier this year. They also agreed to accomplish four tasks in the coming year: Achieving thorough war preparedness with peacetime operational control in hand, strengthening military diplomacy for stepped-up security cooperation with the United States, pursuing a medium- and long-term policy for developing technology-intensive elite troops and reforming the military for a new image.

Burma

Surrendered Rebel Groups Form New Alliance

BK0712140594 London BBC in Burmese to Burma 1345 GMT 6 Dec 94

[Commentary by Larry Jagan]

[FBIS Translated Text] Several groups of ethnic rebels which signed cease-fire agreements with Burma's SLORC [State Law and Order Restoration Council] Government have formed an alliance—the PDF, Peace and Democracy Front, to back their demands for developments and democratic reforms. The Front was formed after a week long discussion in the Shan State. This meeting was initiated by the Wa rebel group, which signed a cease-fire agreement with the SLORC. The ethnic minorities, including the Wa, which signed cease-fire agreements with the government, are unsatisfied because of the slow progress made toward democracy and ethnic rights. To date, 13 groups have signed cease-fire agreements with the SLORC. Larry Jagan from the BBC's Asia-Pacific Department sent this commentary.

The Wa, Kokang, and Palaung ethnic groups together with two former BCP [Burma Communist Party] communist groups have formed the PDF—the objective being to build a peaceful democratic state in which all the rights and privileges of the ethnic races are respected. The leaders of these ethnic groups have become unhappier with SLORC's lack of support for economic development at the border region and democratic reforms. An ethnic source at the Thai-Myanmar [Burma] border says this new Front has vowed to achieve the rights of the ethnic races and democratic reforms by peaceful means.

The new Front has demanded that the SLORC release all detained political prisoners, including opposition leader Daw Aung San Suu Kyi, and honor the results of the 1990 elections, which the NLD, the National League for Democracy, convincingly won. The Front has also agreed to cooperate to gain their political demands. They will coordinate and help each other in implementing economic plans. The members of the Front have also agreed on military cooperation in case one of its members is attacked. However, an opposition source at the Thai-Myanmar border notes that since the Front is not set up as a military organization, there are no plans at the moment to hold joint military exercises.

Although the armed groups under the Front have been officially disbanded, their combined strength is a force to be reckoned with, as before. The Front's military wing has about 50,000 men, with the Wa alone having about 35,000 men. U Kyauk Nyi Lai, the leader of the Wa Group, was appointed PDF chairman and leader; U Yang Moe Lian, the leader of the Kokang Groups, was appointed vice chairman; and the leader of the Palaung Group was appointed general secretary. The opposition groups, including the students at the border, have viewed the formation of this Front as a positive development. Although the formation of the PDF is not to oppose the SLORC, it has proved that the ethnic groups which signed cease-fire agreements with the SLORC have vowed to achieve political reforms. Other ethnic groups which signed cease-fire agreements with the SLORC—the Lahu group, the Karenni National People's Liberation Front, and the Shan State Progressive Party—also sent observers to the formation meeting of the five ethnic groups. Ethnic sources believe that although the observer groups that attended the meeting are not in the new Front, they will be cooperating with the Front in the long term.

Observers claim the entire Shan State, apart from the region held by drug warlord Khun Sa, is under the PDF. The Wa group attending the National Convention for drawing the constitution warned the SLORC about six months ago that if they were not given an independent state they would have to get it on their own. The Wa group called the formation meeting while celebrating the fifth anniversary of the signing of the cease-fire agreement with the SLORC. The KIO, Kachin Independence Organization, the latest ethnic group to sign a cease-fire agreement with the SLORC, was also invited, but the leaders were unable to attend because they were preoccupied with making preparations for electing the new KIO leader.

The formation of this new Front could become a major problem for the SLORC leaders. The ethnic groups from the PDF have initially agreed to dissolve their military after the ratification of a new constitution. However, the Wa group said that they will have to reconsider that if they don't receive their demands. This Front has been formed five years after cease-fire agreements with the SLORC were signed because nothing substantial was ever received, and it seems the SLORC could be forced into a position of holding political talks with member groups of the Front.

Brunei, Malaysia & Singapore

Malaysia

Deputy Premier Urges Dialogue on Human Rights

BK0712160194 Kuala Lumpur RTM Television Network 3 in English 1430 GMT 7 Dec 94

[FBIS Transcribed Text] Today, Deputy Prime Minister Datuk Anwar Ibrahim said the East and West need more dialogues to bridge the real or perceived differences in interpretations and conceptions of human rights.

Speaking in a luncheon talks during the two-day conference [on human rights], Datuk Sri Anwar said Asian societies regarded the protection of human rights as an integral part of their traditions. But the West often sees that it is part of their civilizing mission to impose on the rest of the world their brand of human rights:

[Begin Anwar recording] The central issue in contemporary discourse on human rights is not so much whether it is Western or Eastern in origin, but rather the balance between civil and political rights on the one hand, and societal and economic rights on the other. [end recording]

He said the performance of developing countries, which was often subjected to trenchant criticism from human rights groups, has sometimes been better than the industrialized countries. In some industrial societies, racial and antiforeigner agitation were on the rise in addition to deteriorating social conditions such as homelessness in their cities:

[Begin Anwar recording] We believe that the cause of human rights can be made more credible if Western societies attempt to practice more of the ideals that they preach to the rest of the world. [end recording]

Controversy Over Human Rights Definition Viewed

BK0712130094 Kuala Lumpur Voice of Malaysia in English 0810 GMT 7 Dec 94

[FBIS Transcribed Text] Here is a station commentary on the human rights conference in Kuala Lumpur:

There is deep concern among Asian countries in the way the concept has been hijacked, narrowly defined, and grossly manipulated by the West. They have used the media and international institutions to carry out its neoimperialistic objectives by praising, blockading, or punishing countries.

The struggle to [word indistinct] Western ideals of human rights is most timely. Only then can a just world be created. But the struggle to replace these biased ideals with a new set of values will not be easy. Even now, the debt crisis is helping the former colonial powers to set up a new global economic and social order. This they are doing through agencies such as the International Monetary Fund, IMF, and the General Agreement on Tariffs and Trade, GATT.

It is also important to note that although former colonial rule has ended, Western domination had resurrected itself in newer forms of control. Their ways are more subtle and sophisticated but no less destructive and devastating. Without doubt the West has created an unjust, unequal global system. Superpowers and superstates invade alien land, impose economic sanctions, exploit natural resources, and manipulate terms of trade at their whims and fancies. This has to stop, otherwise the very integrity and independence of Asian countries is in jeopardy. Their policies have affected the poor and powerless, with many still struggling against overwhelming odds.

The gap between the rhetoric and reality within the Western world has to be addressed. For example, the domestic ratio problem makes a mockery of all the lofty claims about human rights and human liberty. However, it would not be fair to suggest rejecting Western human rights tradition in total. There are some positive elements. Asians do admit some of these elements have enhanced both the dignity of the human being as a value of human civilization. But what is sad is that there are not many human rights thinkers and activists in the West or the East prepared to defend the dignity of the humanity against Western global domination. This is despite the fact that the victims of this dominance are sometimes innocent infants.

Prime Minister Datuk Sri Dr. Mahathir Mohamed has chosen to speak out with courage and conviction against some of the most blatant injustices emerging from this dominance and control. His often lonely pleas for justice and fairness—whether it is on Bosnia, Iraq, or the United Nations—has struck a responsive chord among ordinary men and women everywhere who cherish human dignity.

It is hoped the conference will be the beginning of a sustained attempt to raise awareness on the consciousness of global domination on human rights. Out of the consciousness must emerge a common collective effort to uphold the principles of a just world; a world that is just because it upholds the dignity not of any special groups, countries, or people, but that of each and every human being.

Deputy Premier Comments on Stock Market Drop

BK0712130794 Singapore BUSINESS TIMES in English 7 Dec 94 p 1

[Report by Ho Kay Tat in Kuala Lumpur]

[FBIS Transcribed Text] Deputy Prime Minister Anwar Ibrahim said yesterday the steep fall in the Malaysia stock market was not something to be alarmed about and the government would not be pressed into taking any panic action to stop the slide.

The drop in share price was due to rising U.S. interest rates which had affected stock markets all over the world Mr. Anwar added.

Mr. Anwar also lashed out at rumour-mongers who said Prime Minister [PM] Mahathir Mohamed was about to appoint second deputy premier because of political tension between them.

The rumour had aggravated the fall in share prices.

"This morning I discussed with PM (Dr. Mahathir) how to handle the rumour and our decision was to ignore and not to entertain it," Mr. Anwar told reporters after opening the national outlook conference of the Malaysia Institute of Economic Research (Mier).

"We have information that part of (the rumour) was deliberately started in foreign countries to create problems," he said. "It is spread by people who are either frustrated, have an axe to grind, who want to see the market disrupted or who did not get (government) contracts."

Mr. Anwar said although the appointment of a deputy premier was a prerogative of Dr. Mahathir, it did not arise at all.

"It is not fair to him, to me or the country. Is there a reason for some quarters to spread these rumours? Certainly, there are. It may be (related to) economic, political, business, personal or family. I don't know," said a visibly upset Mr. Anwar.

Speaking at another function, Dr. Mahathir said he did "not know of any candidate" as second deputy premier. "Are you going to pay his salary?" he said in jest to questions from reporters.

Many punters have been burnt because the expected year-end rally did not happen and the stock market instead took a dip, falling by around 15 per cent since October.

Asked about an appeal from the Kuala Lumpur Stock Exchange (KLSE) to Bank Negara [Central Bank] for relaxing lending guidelines for share purchases, he replied: "These are issues which we should consider from time to time." He added: "I am quite open but it should not be (done) as a panic response to current fluctuations in the market."

It was reported that KLSE executive chairman Mohamed Din Nik Yusoff had written to Bank Negara governor Ahmad Mohamed Don asking for a relaxation in the 10 per cent limit that banks can lend to buy shares and unit trusts out of their total loans.

Mr. Anwar also refuted allegations that his family members had benefited from his position as finance minister.

"I had given instructions when I became finance minister that no shares or contracts handled by my ministry will be given to any members of my family," he said. "This had caused problems for me because my family feels I am being unfair to them."

He explained that his brother Marzuki had been alloted shares of Leader Universal Holdings Bhd [Limited] under the bumiputra [indigenous people] allotment scheme by the Ministry of International Trade and Industry (Miti) and not by his ministry. Miti handles bumiputra share allotment of non-financial companies.

Parliament was told on Monday that the Anti-Corruption Agency was investigating if Minister for International Trade and Industry Rafidah Aziz had committed an offence when her ministry alloted 1.5 million Leader shares to her son-in-law Fazrin Azwar although she had declared her interests in the matter.

Cambodia

KR Command Post on Kulen Hill Reportedly Captured

BK0812015694 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 8 Dec 94 pp 1, 2

[Report by Reaksmei: "Royal Government Forces Win Complete Control of Kulen"]

[FBIS Translated Text] Co-Defense Minister Tie Banh said this to REAKSMEI KAMPUCHEA on the afternoon of 6 December: "The main Khmer Rouge command post at Phnum Kulen has been captured by Royal Government forces as of 25 November, but we are not in control of all of Phnum Kulen yet, meaning we still have to keep attacking and expanding." By 6 December, reports from various sources claimed that Phnum Kulen had been completely captured by the government. Anyway, there are very few details about the fighting at Phnum Kulen. Some analysts believe that the Royal Government is still disinclined to reveal the news of this victory since it is afraid the base might soon be retaken by the rebels.

A relief organization worker in Siem Reap Province, who was acquainted with developments of the fighting, could not give any new information on the situation there either.

On 4 December, a high-ranking military official told the CAMBODIA DAILY bulletin that 70 percent of the Phnum Kulen position was under the control of Royal Government forces and that hope was high the whole area would be soon taken. The advance, however, was slowed down by the many traps the Khmer Rouge had laid together with mines and punji stakes on the ground.

The deputy commander of the 4th Military region said that Phnum Kulen—the site of the quarry from which stones were taken to build the Angkor temples in the 12th century—had already been 100 percent captured, but some bandits were still hiding in the area.

A group of 152 Khmer Rouge soldiers who were controlling Phnum Kulen surrendered to the authorities in early November. Among them were It Sam, former deputy commander of Khmer Rouge Division 912, and a regiment commander from Division 980.

On 22 November, at 1800, Prince Krompreah Norodom Ranariddh, first prime minister, paid a visit to these former Khmer Rouge compatriots who made this oath to him: "After we finish our training, we will join the army of the Royal Government in order to attack and liberate Phnum Kulen."

These ex-Khmer Rouge soldiers went on to stress that they would seize Phnum Kulen at all costs as a tribute to the king so that he can go there and make all kinds of merits and prayers as in the past.

The deputy commander of the 4th Military region also said that then they (the Khmer Rouge still in hiding) would be captured or killed and the government would create a village on the hill together with a military base. He added that several Khmer Rouge had fled to the northern border in Preah Vihear Province.

No reports on the losses from this fighting have been announced, but the same deputy commander said: "When you throw water at one another, both sides have to get wet."

Defectors Used at Phnum Voar, Phnum Kulen

BK0812034594 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 8 Dec 94 pp 1, 2

[From the "This Issue's Comment" column: "Winning or Losing With Words"]

[FBIS Translated Text] The strategy of using the bull's horns to attack the bull's flanks that the government has been practicing lately has proved quite effective. The Khmer Rouge defeat at Phnum Voar a month earlier and again their defeat at Phnum Kulen early this week have shown that the growing participation of Khmer Rouge defectors in Khmer Royal Armed Forces operations is most efficacious.

Currently, there are only a handful of major battlefields left, such as Pailin and Anlung Veng. If the government really wishes to recapture control of these areas during the coming dry season, the implementation of this bull's horns against the bull's flanks strategy is most recommended. As a matter of fact, even if there were a military commander brash enough to boast about his mastery in employing combat tactics, handling the terrain, and grasping the Khmer Rouge heartbeat, his effectiveness would not be equal to giving the Khmer Rouge soldiers a chance to go up there and fight their fellow Khmer Rouge. Once the objective is taken, they should be permitted to control it, but the supply lines should be kept alive otherwise the situation might turn sour. A show of trust should be accompanied by a show of encouragement. And that is the sharpest and most pointed weapon that we have for attacking and cutting through the ranks of recalcitrant Khmer Rouge forces and driving them against jungles and mountains and finally out of existence.

The Pailin battlefield, however, is the most complex. It should be understood that this front does not present a military aspect alone; it also has an overall political aspect as well. The situation and the terrain around Pailin are not favorable to the Royal Government forces. The fighting capacity of the Khmer Rouge there remains quite formidable and the number of Khmer Rouge defectors has been extremely small. Therefore, the use of military force alone is impractical without psychological and propaganda support.

Moreover, it is most necessary to have consideration for the overall political aspect of the situation here because the loss we suffered in Pailin and Anlung Veng early this year came as a result of this very psychological mine field. Using the right words, you win; using the wrong words, you lose!

Ex-Official Denies Battambang Secret Prison Report

95P30020

[FBIS Editorial Report] The Phnom Penh weekly KAOH SANTEPHEAP in its 14 October edition publishes a frontpage article by Suon Sokhum with the banner headline: "Chheu Khmau, Battambang Province is a Venerated Place for Cambodians, Not a Secret Prison Where They Eat Livers as Is Being Said." Accompanying the article are three photographs of a temple and monks—also on page 1. The author of the article notes the temple's location in Phum Pho, Kaoh Chiveang Subdistrict, Ek Phnum District, 41 km from Battambang's provincial capital.

Suon Sokhum notes that the temple's past is deeply valued by Cambodian Buddhists and that the temple has the reputation of possessing magical powers. He states that up to 400 lay worshippers and 30 clergy are in residence and describes the physical layout of the grounds. During a visit to the grounds on 8 October, villagers told him that the Khmer Rouge "smashed the place to bits" and it had been rebuilt during the State of Cambodia regime. According to an unnamed subdistrict chief, Kim Lach, who had taken a leadership role in the temple's reconstruction, died in 1984. Suon Sokhum comments that even if construction of a prison had been contemplated there, "it would have been extremely difficult" given the almost total absence of dry land when the water rises each year in the Tonle Sap Lake.

The author of the article refers to the "numerous foreign propaganda pieces accusing the former State of Cambodia of continuing to operate the secret Chheu Khmau prison right up to now, arresting, torturing, and killing prisoners and eating their livers." Acknowledging that these reports have attracted the attention of human rights watchers and King Sihanouk, Suon Sokhum asks rhetorically "who would benefit from the creation of such a prison?" He then adds that "we appointed two people to find out whether there was in fact a secret prison where livers are eaten" and found the charges to be "baseless slander."

Suon Sokhum notes that according to villagers and the former subdistrict chief of Chheu Khmau Subdistrict, there has never been "any individual or military force establishing a presence there or setting up a secret prison." The author repeats the statement that geographical and topographical conditions "would not facilitate" the location of a prison there. Finally, he cautions readers not to believe "baseless foreign propaganda published for the benefit of personal reputations or group interest."

Foreign Companies Bid To Build Oil Refinery

BK0812080494 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 8 Dec 94 p 4

[FBIS Translated Text] Four foreign companies are expected to be selected to compete for the government concession to set up an oil refinery to replace the old one in Sihanoukville. The four companies are from Jordan, Japan, France, and Singapore.

Nhep Bunchin, under state secretary for industry, energy, and mines, told REAKSMEI KAMPUCHEA that more than 10 foreign companies have asked to invest in the plan to set up the oil refinery in Sihanoukville to replace the old refinery there. These companies have been checked by the Cambodian Development Council in order to select just one company.

Here are the companies interested in investing in the oil refinery: (Qatar) (Liberia); (Taykyo) (Japan); Nissho Iwai (Japan); Amman (Jordan); Techni (France); (Institute Petrol) (France); (CAT) (Thailand); a Malaysian company; Sembawang from Singapore; and two other companies, one from Thailand and the other one, a local company.

Nhep Bunchin said that according to the latest news, the four companies expected to be selected for the final round of technical checks and on their potential to rehabilitate the refinery, are: Amman Resources from Jordan; Nissho Iwai (Japan); Techni (France); and Sembawang from Singapore. These four companies have big projects to invest in the setting up of the oil refinery. Bunchin disclosed the project of Amman company saying that the company plans to invest around $430 million [currency not further specified] for development and can produce 50,000 barrels (a barrel contains 159 liters) a day.

As for Sembawang, earlier there were reports saying that this company plans to invest $75 million [currency not further specified] and can operate the refinery in 20 months, which can produce 20,000 barrels a day during the initial period. However, Nhep Bunchin affirmed that since there will be only one oil refinery in Cambodia, the contract or the condition of each company bidding for the investment should be carefully examined. "We have to study the matter in detail...to find out the level of experience of the company and the company's willingness to invest..."

The under state secretary also talked about the eventual activities of the oil refinery saying: Since our country cannot yet extract oil for the refinery, raw material has to be imported in the initial stage until the time we can use the oil that is being explored. In the past, the oil refinery in Sihanoukville also imported raw materiel from outside; at that time the refinery could produce 10,000 barrels a day (450,000 tons a year).

It is to be recalled that Cambodia currently imports between 350,000 and 400,000 tons of fuel costing around $100 million a year.

Vietnamese Accused of Seizing Land in Province

BK0712151794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 7 Dec 94

[FBIS Translated Excerpt] The traitorous two-headed elements have allowed the communist Vietnamese to seize 400 square km of our territory at Krek in Kompong Cham Province.

According to the people in Krek in Kompong Cham Province, the communist Vietnamese are nibbling up Cambodian land deep inside our territory. About 400 square km of land—a stretch of 40 km from Route 22-Trapeang Khlong to the east and a stretch from Route 7 to the south—have been nibbled up by the Vietnamese. Treak, Rung, (Chan Meul), Choam, Bos, and Beng villages have all been turned into Vietnamese villages. They have set up communist Vietnamese administrations in all sectors—military, police, and civilian administrations. The Cambodians who were the original owners of these lands have either been killed or forced to move to other areas. They have lost their land and become displaced persons. Nobody in the two-headed government or the self-appointed National Assembly cares about them. This is a consequence of the war policy pursued by the traitorous two-headed elements. [passage omitted]

Indonesia

Suharto Welcomes Timorese Audience With Pope

BK0812061694 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 8 Dec 94

[FBIS Translated Text] President Suharto says he is happy to learn that Pope John Paul II has granted an audience at the Vatican to overseas East Timorese groups opposed to the integration of East Timor into Indonesia. This was disclosed to reporters by Cardinal Julius Darmaatmaja after he met with President Suharto at Jakarta's Merdeka Palace a few moments ago. Cardinal Darmaatmaja said the president's stand constitutes a positive contribution to the settlement of the East Timor issue. Cardinal Julius Darmaatmaja and officials of the Indonesian Church Council reported to the president on his recent installation as Indonesia's second cardinal by Pope John Paul II at the Vatican. The cardinal also briefed the president on Indonesian Roman Catholics' role in national development.

PRC Boat People Found Stranded Near East Timor

BK0712131494 Jakarta ANTARA in Indonesian 0954 GMT 7 Dec 94

[FBIS Translated Excerpt] Dili, 7 Dec (ANTARA)—A total of 89 Chinese boat people were found stranded in East Timor waters at 0800 East Indonesian Time on

Tuesday morning [6 December] after their boat had engine problems and they ran low on fuel.

Speaking in Dili on Wednesday, Drs. [academic title] Hotman Saragih, the Dili harbor master, said his office and related agencies had investigated the wooden boat and its passengers. The investigation showed that the passengers—52 adults and 27 children [numbers as received]—did not have valid travel documents. The wooden boat was on its way from the PRC to Australia but had engine problems as it was passing through East Timor waters. [passage omitted]

Commentary Views NAM Criticism of Serbian Attacks

BK0812050194 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 8 Dec 94

[Station commentary]

[FBIS Translated Text] Indonesia, in its capacity as chairman of the Nonaligned Movement [NAM] which has more than 110 countries as members, this week strongly criticized the Serbian forces' indiscriminate attacks against Bihac. The attacks had not only humiliated the United Nations, but also caused loss of lives and suffering to local people.

In its capacity as NAM chairman, Indonesia again called for the convening of an international conference to be attended by the warring factions, countries that have sent peacekeeping troops, representatives from NAM, Islamic Conference Organization, European Union, five member countries of the UN Security Council, and the UN secretary general in order to find a solution to the conflict in the former Yugoslavia. An earlier call made at the NAM ministerial meeting in Cairo several months ago is understandable because the world is now undergoing fundamental changes in various fields. Developing countries need to strengthen their unity and integrity in the process of holding dialogues with developed countries in an atmosphere of friendship and mutual benefit.

Efforts toward the holding of such dialogues have shown some positive results recently as seen from the NAM chairman's move at the summit meeting of G-7 countries in Tokyo and the recent APEC [Asia-Pacific Economic Cooperation] meeting. Efforts toward this end should not be disrupted, especially by developing countries themselves.

Indonesia was given the post of NAM chairman because NAM countries have seen our success in managing our natural resources and forging successful relations with developed countries. Besides, Indonesia also is viewed as capable of carrying out its development program and other developing countries wish to learn from Indonesia's experience. Indonesia also has shown its contribution in creating a new world order, which will benefit not only developing countries, but also the world in general. The trust given by developing countries is not a kind of admiration which we hope to hear, but the trust is based on reality which each country should see in its efforts to provide public welfare to its citizens. Whether we admit it or not, injustice still prevails in the world and the majority of mankind are still locked in the fight against backwardness, poverty, disease, and hunger. The Serbian forces' indiscriminate armed attacks will definitely not reduce people's suffering. The opposite is true. Therefore, such attacks deserve strong criticism and an early solution to the problem must be sought.

Editorial Sees 'Bright' Economic Future

BK0812085994 Jakarta MERDEKA in Indonesian 6 Dec 94 p 6

[Editorial: "Indonesia's Economy Is Bright"]

[FBIS Translated Text] Many experts predict that Indonesia's economy is on the right track despite the uncertainty in the fiscal and monetary situation and despite the fact that inflation is close to double digits. The prediction came when the Taiwanese foreign minister, Dr. Fredrick Chien, visited Indonesia for recreation in Bali last August. Dr. Fredrick Chien said Indonesia will become an "economic dragon" soon. Indonesia will lead the Asia Pacific community. He said it is all due to President Suharto's leadership; he has led Indonesia to the right track of progress and large-scale development. Besides, Indonesia's stability has won the world's recognition.

An observer who is now studying in the School of International Studies of Jawaharlal Nehru University in India wrote that there is no doubt that a prediction is necessary for human beings, especially if the prediction is to incite courage to struggle for one's own ambitions. The writer, Makmur Keliat, wrote it is not a mistake to predict that Indonesia will become the world's fifth economic power in the year 2020. However, he added, a prediction is not neutral nor is it objective. It is necessary to bear this in mind because someone can see the future and determine it by preset conditions called a "disposition," that is, preconditions on the basis of the social and economic factors.

To cite an example, two persons having different economic and educational backgrounds will have different views of the future. A man, who is brought up in a well-to-do family and has been well educated, will feel that he is more prepared for the future than those who are rather unfortunate. So, a prediction is not something free from common mistakes. Moreover, one country's economic outlook is generally based on a simplified observation. It is known that an economic prediction tends to put aside all political and social factors. A prediction based on statistical data and figures will generally trigger opposition in the form of objections to all that appears to be generalized.

As an example, in the beginning of the New Order government, the political and economic systems in the

Philippines and Thailand were regarded as curious by Indonesian technocrats. Bitter reality is what we have to see now. So it was concerning the economies of some Latin American countries in the 1960's. Many planners used them as the standard of valuation and as a model for developing countries. What happened then? The economies of most of the Latin American countries are much worse than those of Asian countries, which seemed deplorable in the beginning. The simple conclusion drawn from an observation made by Adam Smith—that a country's great economist will never outperform a housewife who discreetly runs her home economy—is still relevant.

That Indonesia is facing a bright economic future and that it will become the fifth economic power of the world in the year 2000 will not be just a dream if, of course, certain conditions are met. First, can Indonesia change the comparative superiority of rich natural resources together with its human resources into a competitive superiority? Can Indonesia have a clean government in a short time? Can Indonesia harness its strict and disciplined macro- economy? Can Indonesia establish a conducive and healthy democratic atmosphere, so it can take a really active and independent role, so that social justiice is no longer an empty slogan?

History has taught us that economics is a discipline which will lead to success if all leaks are sealed as much as possible. Every effort will be futile unless the leaks are eliminated, especially those at the top. Moreover, letting the leaks at the top rampage through the country's economy is like leading the country to disaster. Any prediction will remain a mirage in the desert no matter how good it may be.

Philippines

Ramos Comments on GATT Benefits, Other Issues

BK0712132494 Quezon City PTV-4 Television Network in English 0714 GMT 7 Dec 94

[Weekly news conference by President Fidel V. Ramos with domestic and foreign correspondents at Malacanang Palace in Manila—live]

[FBIS Transcribed Excerpt] [passage omitted] [Ramos] First of all, ladies and gentlemen, I would like to inform you that I have approved the recommendation of the secretary of national defense, which was arrived at jointly with the acting secretary of interior and local government, in regard to the unilateral suspension of offensive military operations, or SOMO, against the insurgents for a period of 24 days from the first minute of 16 December 1994, which is the beginning of the traditional Misa de Gallo [Mass at Dawn], up to midnight of 8 January, which is the feast of the epiphany, in observance of the spirit of Yuletide. And I will give a copy of this to the press sec [press secretary]. But let me just say that as in previous years, this presidential issuance of a summon has the effect of the president giving a safe conduct pass to all of the insurgents who might want to come down and enjoy the holidays with their loved ones. But that, there should not be any carrying of firearms, explosives, and other deadly weapons. And that, the law enforcement agencies will not be prevented from protecting the public, our government centers, major projects, and other areas of people's activity. And that, this is the usual condition that is enforced during this SOMO.

Any questions ladies and gentlemen?

[Press Secretary Jesus Sison] Who makes the first question? Ruben? Will you please state your name and your agency because sometimes there are new reporters.

[Cal] Good afternoon, Mr. President, Ben Cal of PNA. Related to your announcement, Mr. President. By next year the PNP [Philippine National Police] is expected to take over the counterinsurgency [COIN] operation against the insurgents. Does that mean that the AFP [Armed Forces of the Philippines] will pull out from COIN operations?

[Ramos] There is an ongoing order from me to Secretary De Villa and Secretary Alunan for the two of them to submit to me before this period ensues the well-coordinated position of both. And if there are any areas that must be reserved for the AFP and some areas to be taken over by the PNP, that these must be well-identified: province by province, or district by district if need be, or clusters of municipalities, as may be determined by them. But that's still about a week from now, and you will be among the first to know when we come up with that decision.

[Cal] Another topic, Mr. President. The Senate will vote tomorrow on the GATT, any last appeal or any statement?

[Ramos] Yes, I have a prepared statement here which list the 43 countries so far that have acceded to GATT, and these are a mix of developed countries as well as developing countries. And it is obvious that the developing countries want GATT as much as the advanced countries. But that each country has its own interests, and adjustments, and measures in mind.

As you will recall, some 108 countries and economies signed the Marrakesh Agreement which access these countries to GATT. And in our case, it was Secretary Navarro who was the Philippine signatory, upon being given full powers by me. And now these countries are the following: Antigua and Barbados, this is alphabetical, Austria, Bahrain, Bangladesh, Barbados, Belgium, Belize, Brunei Darussalam, Central African Republic, Denmark, France, Gabon, Germany, Greece, Guinea-Bissau, Guyana, Hong Kong, Indonesia, India, Ireland, Italy, Kuwait, Luxembourg, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Morocco, Namibia, Portugal, Qatar, Singapore, Spain, Sri Lanka, Suriname, Tanzania, Thailand, Uganda, United Kingdom, United States, and Zambia.

All of the ASEAN countries, except the Philippines, have already ratified. I am very hopeful that this will also be ratified by the Philippine Senate. And right now, the matter is being intensely debated on the floor of the Senate. I think they are now in their period of interpellations. And if they follow their schedule, as announced by Senate President Angara, the vote should take place tomorrow, or the day after tomorrow.

[Cal] Thank you, Mr. President.

[Ramos] While you are mulling over your next question, I'll just make this announcement. This is a very important decision to promote the economy. And this is the executive order which I signed yesterday to accelerate the demonopolization and privatization program of government ports in the country.

To carry this out, the Philippine Ports Authority will not renew existing cargo handling or port service contracts upon their expiration. They will, however, award through a public bidding, non-exclusive, multi-year contracts of sufficient duration for those services, and allow the participation of cooperatives.

Now, a companion order which I have signed, the first one was executive order number 212, the second one is executive order 213, this deregulates domestic shipping rates. And shipping rates for the so-called first and second class passenger rates are fully deregulated for passenger-carrying vessels, provided that their accommodations are in accordance with standards set by Marina [Maritime Industry Authority]. And also, provided that, at least 50 percent of the passenger capacity of such a vessel shall be allocated and reserved for third class accommodation, whose rates will continue to be regulated by Marina. This is the safety net for the ordinary passengers.

Now, for the so-called tourism-oriented vessels, they shall be exempted from the 50 percent for the third class accommodations, and their passage rates will be fully deregulated, unless, the operators opt to have their rates rationalized or prescribed by the Marina.

Again, this protects the ordinary passengers. Anyway, the executive orders are given to the press secretary for your appreciation. [passage omitted]

[Wong] Good afternoon. I'm Wong Chun Wai from the Star Publications in Kuala Lumpur. Mr. President, the Malaysian deputy prime minister [DPM] will be meeting you tomorrow. Are there any specific issues that you wish to discuss with him?

[Ramos] Thank you. I think the visit of the Deputy Prime Minister of Malaysia Anwar bin Ibrahim, who is also concurrently the finance minister, is another indication of the growing rapport, and friendship, and cooperation between our two countries. This is one of the series of high-level visits that officials from our two countries are making to each other.

The secretary of finance here, Secretary De Ocampo, is his official host, but I shall receive the DPM tomorrow. And I'm sure that among the important subjects that we will be discussing will be the promotion of our common area of development, the East ASEAN Growth Area, in which Malaysia has been very active. Malaysia in fact has been assigned the promotion of tourism, primarily. And Malaysia has already done a very substantive thing in the opening up of the Samal Island Tourism Estate. The signing of that took place about three weeks ago in Davao.

We also see this visit as a very fruitful prelude to the meeting of the joint commission between Malaysia and the Philippines which takes place in Kuala Lumpur in January 1995.

I will be happy to inform Deputy Prime Minister Anwar that the proposed Philippine-Malaysian project, which is the Proton Philippines is taking off. I visited the proposed factory site in Alaminos, Pangasinan over the weekend. I find it a very suitable place for such an effort. It's near the coast, it is along a main highway, and within an area where skilled labor can be found. The Filipino partners represented by Autocorp, Mr. Peter Rodriguez, were also there and they're just as optimistic as I am about the success of this joint Philippine-Malaysian project.

[Garcia] Good afternoon, Mr. President. Ike Garcia of MALAYA. I just wanted to ask, you mentioned that about 43 countries have already signed the GATT. That is little less than 40 percent of the 123 countries who are supposed to sign, to be members of the World Trade Organization [WTO]. Is there any special reason why we would like to be among the first to sign? Or will it endanger our economy, if let us say, we are among the last to sign?

[Ramos] Yes, I think we must at this early stage give the proper signal to the world trading community. I have every reason to believe that within the next week or 10 days—before the Christmas break for most parliaments—that a majority of the 108 will have acceded to UR [Uruguay Round]-GATT-WTO.

The big disadvantage for a no vote, or even a late vote—even if that could be just three to six months late—will be the loss of niches and markets by our exporters and traders within their traditional markets. And it's going to be very, very difficult for our Filipino businessmen to reacquire or be restored to an advantageous position later on.

It also could mean the loss of new markets that we are not yet into but where we now have very competitive products in the world economy. And this would negate the great efforts of so many among us. I'm not just talking about big businessmen, but also the SMEs [small and medium enterprises] who are now very busy trying to connect with their markets abroad. I could also see a ...the exclusion of possibly cheaper but quality products from the outside for the Filipino consumers.

In any case, we have done all we can on the part of the executive branch to make the so-called voluntary measures apply for the benefit of the farmers, the fisher folk, the small industrial workers, the cottage industry people by way of safety measures that are incorporated in the proposed 1995 budget.

In our meetings with the leaders of the Senate and the House, we inputted some P28 billion [Philippine pesos] worth of appropriations to be invested in farm-to-market roads, better irrigation networks, easier credit facilities, and post-harvest facilities for the small people among us. To his credit, Senator Neptali Gonzales, who is the chairman of the Senate finance committee in charge of sponsoring the 1995 proposed budget, added another P4 billion. So that for the first year, 1995, there is P32 billion there in that proposed budget to take care of the concerns of the small producers.

Now, this so-called measures will be carried over into the next year, 1996, over a period of four to five years because it is necessarily a multi-year program due to the infrastructure needed, as well as the network and systems to be put in place. [passage omitted]

[Baliwag] Good afternoon, Mr. President. I'm Arthur Baliwag from the MANILA TIMES. Sir, yesterday, the Catholic Bishops Conference of the Philippines [CBCP] vowed to step up their campaign for the deferment of the ratification of the UR-GATT accord. I understand that they would visit pro-GATT senators to persuade them to change their minds.

I have one simple question, Mr. President. How do you intend to deal with this new CBCP tactic to ensure the ...that the final vote would come out in favor of the GATT ratification?

[Ramos] Well, right now, as reported from the floor of the Senate—and this was also mentioned earlier by the leaders of the Senate—that there are 15 votes already that we can count upon. That means, one or two more. Perhaps, that should be obtained, to the yes side.

Now, as far as rallies, and demos, and mass actions are concerned, I think we are comfortable with that. This is a free country. We have a democracy here. Let the merits and the demerits of the GATT issues be fully debated in the Senate. And we leave it to their good judgment and to their patriotism, and to their adherence to the national interests to vote in the way that they will vote.

But as I explained earlier, in answer to a previous question, that it is to our national interest and to our people's welfare for us to access to GATT, as early as possible. [passage omitted]

Students Protest GATT in Front of U.S. Embassy

BK0712104094 Hong Kong AFP in English 1006 GMT 7 Dec 94

[FBIS Transcribed Text] Manila, Dec 7 (AFP)—Some 100 members of a leftist students' group were dispersed with tear gas after they staged a rally Wednesday in front of the US embassy protesting the General Agreement on Tariffs and Trade (GATT).

Reporters saw police firing tear gas to disperse the rallyists. Police later said teargas would only be used if the protesters used "violent acts." The group had been held back from approaching the embassy but tried to charge through the riot police's ranks to reach the gates.

Earlier, the leftist League of Filipino Students (LFS), which led the rally, issued a statement saying it intended to chain the gates of the embassy as a symbolic act "to restrain the raging imperialist tiger from further plundering the Philippines."

The group was also protesting against the international trade agreement GATT, which is up for ratification before the Philippine senate.

Thailand

Parliament Ratifies Act To Establish WTO

BK0812061894 Bangkok THE NATION in English 8 Dec 94 p B2

[FBIS Transcribed Text] The Thai National Assembly yesterday ratified the World Trade Organization Act of BE [Buddhist Era] 2537, turning Thailand into a founding member of the 124-member body responsible for governing the global trade liberalization.

The passage is crucial for the implementation of the General Agreement on Tariffs and Trade, which concluded its latest round of multilateral trade talks, known as the Uruguay Round, last December. Under the Marrakesh agreement, signed by the member GATT countries in April this year in Marrakesh, Morroco, the WTO will be formed by January 1st, 1995 to take up the global trade liberalization package of the GATT, whose status will become obsolete once the WTO comes into being.

Pushing for passage of the WTO legislation, Commerce Minister Uthai Phimchaichon yesterday made his point on the Parliament floor that it is necessary for Thailand to ratify the WTO package as part of its commitment to global trade liberalization.

By passing the WTO Act, Thailand recognizes the WTO as a newly-founded legal organization, obligated under international law.

EU To Ease Measures To Detect Copyright Piracy

BK0812062094 Bangkok BANGKOK POST in English 8 Dec 94 p 21

[FBIS Transcribed Text] Satisfied with Thailand's efforts to curb intellectual rights violations, the European Union will officially lift measures to detect copyright infringements in Thailand two years after their implementation.

The International Federation of Phonographic Industries (IFPI) informed Thai officials that the EU would send an official letter confirming that the measures would be lifted, according to Wirawit Wiraworawit, director of the technical academic and planning division of the Intellectual Property Department.

The EU noted that Thailand had made strides to suppress piracy, and that the Copyright Act had recently been passed by the Parliament.

The Commerce Ministry expects the EU move will improve the country's image and will spur the growth of Thailand's trade, exports and investment.

The IFPI, which is responsible for protecting the rights of foreign musical works, has for a long time lodged complaints about piracy in Thailand. When it became satisfied with the level of piracy suppression in the country, the EU no longer felt the need to detect piracy on its behalf.

Unlike the United States with its feared Section 301 trade sanctions, the EU has no legal means of punishing countries for copyright violations. However it could take other steps such as making cuts in its Generalised System of Preferences, tariff reductions designed to favour exports from developing countries, Mr Wirawit noted.

Deputy Minister Assured of Close U.S. Ties

BK0712150894 Bangkok Voice of Free Asia in Thai 1030 GMT 6 Dec 94

[FBIS Translated Text] Deputy Foreign Minister Surin Phitsuwan, who has just returned from visiting some American countries, said he met several leading U.S. congressmen and former President George Bush while in the United States. He was assured that regardless of whether the Democrats or the Republicans are in control of the executive or the legislature, there will be no effect on U.S. relations with Thailand or Southeast Asia. There will always be close cooperation; even closer, he said. The deputy foreign minister said that in addition to discussing political matters, he also persuaded more U.S. businessmen to invest in Thailand.

Mr. Surin visited the United States, Mexico, Peru, and Chile from 19 November to 4 December. During the 15-day tour, he had the opportunity to meet the leaders of those countries and exchange views on promoting political and economic ties.

Thaksin Reports on PRC Trip; Sihanouk Meeting

BK0812124194 Bangkok XING XIAN RIBAO in Chinese 30 Nov 94 p 8

[FBIS Translated Text] Foreign Minister Police Lieutenant Colonel Thaksin Chinnawat returned to Bangkok yesterday after a two-day visit to China. He briefed reporters on results of his trip upon his return at the airport. Mr. Thaksin said he held talks with Chinese Premier Li Peng and Chinese Vice Premier and Foreign Minister Qian Qichen on bilateral trade and investment issues.

At the talks, Thaksin asked the Chinese side to buy more Thai agricultural products directly without going through third countries as this will benefit both countries, especially Thai farmers.

Thaksin also asked China to provide legal protection and convenience for Thai investors doing business in China because they sometimes face legal problems.

The two sides also discussed China's role in regional security affairs.

Before boarding the plane for Thailand, Thaksin had an audience with Cambodian King Prince Sihanouk at the latter's residence in Beijing. The talks lasted about 40 minutes. Thaksin said he had informed Prime Minister Chuan Likphai upon his arrival that Prince Sihanouk remains in good health. The meeting would have lasted longer had he not been in a hurry to catch the flight.

During the talks, Prince Sihanouk hoped that Thailand and Cambodia will solve the existing problems, such as the case of General Sin Song as soon as possible so that bilateral relations can be developed smoothly as the two countries have to get along forever because they are neighbors.

Daily Reports on Visit by PRC's Tian Jiyun

BK0712154194 Bangkok ZHONG HUA RIBAO in Chinese 3 Dec 94 p 8

[FBIS Translated Excerpt] At the invitation of the Thai-Chinese Economic and Culture Association, an 11-member delegation led by Tian Jiyun, vice chairman of the Chinese National People's Congress Standing Committee, arrived in Bangkok at 2200 on 2 December aboard a Thai Airways International flight for a 10-day goodwill visit.

The delegation was warmly welcomed at the airport by General Phat Akkhanibut, vice chairman of the Thai-Chinese Economic and Culture Association; Wang Canghe, a public relation official of the association; senior military officers; leaders of local Thai-Chinese associations; Chinese Ambassador Jin Guihua; and Chinese Embassy officials. Also present to welcome the delegation were Gen. Siri Thiwaphan; Major General Wichit Yathep; Chinese Embassy Counselor An Yanai; Counselor Nie Haiqing; Counselor Chen Zhongcheng;

Counselor Li Mao; and leaders of local Thai-Chinese Associations such as Zheng Mingru, Xie Guomin, and Li Jinghe. [passage omitted]

While in Thailand, Tian Jiyun and his delegation will have an audience with the crown prince; pay courtesy calls on Prime Minister Chuan Likphai, Parliament President Marut Bunnak, Senate President Michai Ruchuphan, and Foreign Minister Thaksin Chinnawat; attend the annual trooping of the color to mark his majesty the king's birthday; preside over the celebrations by the local Chinese community on Yaowarat Road to mark his majesty the king's birthday; meet members of various Thai-Chinese organizations; and attend a welcome banquet held by the Thai-Chinese Chamber of Commerce. The delegation will also visit Nakhon Pathom Province, Prachuap Khiri Khan Province, and Hua Hin resort. [passage omitted]

Prime Minister Comments on Coalition's Defeat

BK0812130994 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 8 Dec 94

[FBIS Translated Text] Speaking to reporters following the Parliament session regarding the failure of the New Aspiration Party [NAP] to comply with the decision of the government whips on voting on Articles 198 and 199, Prime Minister Chuan Likphai said he has already met with NAP leader General Chawalit, who asked him for one day to make a decision. The prime minister said he is not thinking of bringing any opposition party into the government at this time. The thing he wants the most at this time is to pass the constitutional amendments in the third reading. He does not regard the way the political situation has developed as a failure on the part of the government. He said the government has never felt that it should remain in power at any cost:

[Begin recording] [Question indistinct]

[Chuan] I do not think of it that way. If we wanted to stay on for an extended period we would not have brought up the issue in question. I feel that the important thing is not how long we remain in the government; the issue is that we must uphold our principles. I have said this several times already. It is more important to think about the survival of the system than the survival of the government. [end recording]

Spokesman on NAP Withdrawal

BK0812133594 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 8 Dec 94

[FBIS Translated Text] Government House Spokesman Aphichit Wetchachiwa has said that a political change is unavoidable by tomorrow at the latest. Speaking after the prime minister's meeting with New Aspiration Party [NAP] chief General Chawalit Yongchaiyut, he said the NAP has been given one day to effect the change.

[Begin recording] [Aphisit, in progress] ...can no longer work together.

[Unidentified correspondent] Does this mean that the NAP must withdraw from the government?

[Aphisit] My understanding is that the NAP will finalize its withdrawal from the coalition government.

[Correspondent] What did it mean when the government said it would undertake action under the democratic process?

[Aphisit] It means that after the change, the government will become a minority government. I want to inform you that the prime minister has no plans to bring in another party, so the number of its seats in Parliament will remain the same for a while. [end recording]

Aphisit also said the prime minister has no plans to add any party to the government because he wants all the parties to work together to pass major bills such as the salary bill and the constitutional amendments.

Work Style of New Foreign Minister Examined

BK0712130494 Bangkok THE NATION in English 7 Dec 94 p A6

[Article by Marisa Chimprapha: "More Diplomacy, Less Haste May Be Called For"]

[FBIS Transcribed Text] Foreign Minister Thaksin Chinnawat said shortly after taking up his portfolio that he prefers offensive rather than defensive methods in conducting foreign policy. He would apply a business-like style of working with the bureaucratic system in an attempt to reengineer it, he said.

Less than a month later, he proved this to be true when he made a one-day trip to Brunei and Malaysia in November. A cornerstone of business philosophy is to use minimal time to achieve highest possible profits. The billionaire businessman turned politician also helped to save the national budget by using money from his own pocket to charter a luxurious aircraft for the brief foray.

On his return from Malaysia and Brunei he was able to report two foreign policy successes—agreement by Malaysia to increase the opening hours for the border pass by three hours, a longstanding issue between the two governments, and in Brunei, he was granted audience with the King and gained assurances that Thai workers will be protected by the Brunei government.

This month he is planning to visit Cambodia and Laos, immediate neighbours of Thailand, again in one day.

No matter whether he uses foreign affairs ministry funds, diplomatic protocol and current difficulties in bilateral relations with the two neighbours suggest he should have more time in both countries.

Thaksin is no longer a billionaire controlling the giant communications conglomerate Chinnawat Group; he is now the foreign minister, and as such should always be guided by the national interest, not the interests of a select group of people.

Relations between Thailand and Cambodia, in particular, have been on the line during recent years. Thailand has been the target of condemnation from Cambodia and other countries, following the failure of the Cambodian government to eliminate the outlawed Khmer Rouge guerrillas.

The minister says that he has known many Cambodian leaders, in the present and previous governments, and therefore is expected to use his professional and personal friendship with them in negotiations to help minimize the suspicion with which Cambodia holds Thailand.

The bilateral problems are sensitive and require diplomatic handling. Cambodia's suspicion that Thailand continues to support the Khmer Rouge cannot be wiped out in one day. Even Prime Minister Chuan Likphai spent three days visiting Phnom Penh and Siem Reap.

Thaksin became the foreign minister at a time when more mutual understanding is required in the wake of several incidents which have shaken the already-soured relations between Thailand and its neighbours.

These include the coup attempt in July which involved some Thais, and the future of Cambodian coup fugitive Gen Sin Song, who was arrested and is being detained in Bangkok. Thaksin's International Broadcasting Cooperation (IBC) is suspected of playing some part in the bloodless and abortive coup attempt.

However, Cambodian Second Premier Hun Sen surprisingly made a statement guaranteeing that the minister and the IBC were not involved in the incident. Hun Sen was prime minister in the previous Cambodian government, which granted IBC a 99-year concession to broadcast in Cambodia.

The concession was subsequently reduced to 30 years by the administration of First Prime Minister Prince Norodom Ranariddh.

Waiting on the agenda for Thaksin when he makes an official visit to Phnom Penh is the massacre of at least 17 Thais in Preah Vihear province, the grey area being disputed by Cambodian government troop and Khmer Rouge guerillas.

Thailand has demanded that Cambodia investigate the killings, which it says happened on Cambodian territory. Further more, the forestry company that employed the workers operated under a legitimate concession from the Cambodian government.

Cambodia has claimed that the massacre was the work of the Khmer Rouge, who controlled the area. Cambodian troops succeeded in retrieving the bodies of the victims from Preah Vihear's Choam Khsan district, where the incident took place.

Also on the agenda is the Thai-Cambodia Joint Commission, agreed when Chuan went to Phnom Penh early this year. Bangkok has urged Phnom Penh to set up a joint boundary committee so that both countries will have a forum to discuss border issues, both on land and at sea.

Cambodia recently changed its previous position on the setting up of the joint boundary panel. Initially it was reluctant to be involved, reportedly because it lacks of professional officials familiar with the issue and also because its energies are directed at national rehabilitation.

It said recently that it is ready to talk about boundary issues particularly the overlapping maritime zones, because of discoveries of natural gas and oil reserves. Cambodia wants to extract profits from those natural resources because it is in urgent need of financial support to ensure the country's survival.

In view of the many unresolved issues between Thailand and Cambodia, Thaksin needs to spend more time there, instead of stepping down from the aircraft and shaking hands with his counterpart Ing Huot and the co-prime ministers before leaving for the Laotian capital.

Thaksin may know Cambodia well as IBC has operated a communication business there for years. But this time Cambodian leaders will welcome him in his capacity of Thai foreign minister, not the president of the IBC.

Therefore, he is expected to spend more time in Cambodia, partly to grant honour to the host country.

Some have expressed doubts as to why Thaksin needs to make such flying visits to foreign countries, starting with Brunei and Malaysia. Some critics say that he has to grab as many opportunities as possible, and quickly, as his future in the coalition government is still uncertain in light of his pledge to resign if his qualifications do not comply the coming constitutional amendment.

However, it is true that Thaksin is a newcomer to the diplomatic beat so he requires more time to learn about the issues. He is lucky in a sense that he has well-educated foreign ministry officials to guide him at this stage. Thaksin, holding a doctorate degree in criminal justice from the United States, has gained a deserved reputation as a quick-witted young businessman. Now he must show that he can apply his formidable skills to the national interest.

* Watthana's Contacts With Disney Described

95WD0054B Bangkok MATICHON in Thai 26 Sep 94 p 6

[FBIS Translated Excerpt] [Passage omitted] Mr Watthana Atsawahem, the deputy head of the Thai Nation Party, revealed with regard to his being sounded out about participating in a joint venture to build the Disney Land of Thailand that about 2 to 3 months ago there were two representative of this company in Thailand, a westerner and a Thai, and they had come to sound him out about investing in the project. He had responded that he wanted time to think it over. In any case the representatives had said if he were interested he could inform them by letter. At this point he had still not sent the letter.

"Because on considering it I can see that this project would require an enormous investment. It would probably be impossible for me to acquire all the land as my part in a joint venture. But it would be more possible if it involved my buying a part of the land," Mr Watthana said.

He said that in fact this project had been discussed at the time of his last campaign for election. The Disney Land Company was interested in about 4,000 rai [a rai equals about 0.4 acres] of land in the area of Laem Fa Pha in Samut Prakan Province. After that they had been quiet about the project. They had just sent people to sound him out a few months ago.

He said that in the long run this would be a good project because it would develop the land and increase its value a great deal. But they should invest in it jointly with a big company which he could not match.

"We could afford some share but not a big share. I think that if they are really serious about this, we should talk about it again because I think it is a good project which would give the people a place to relax more. And Samut Prakan Province would prosper. So far they have just sounded me out," Mr Watthana said in closing.

Previously Mr. Chaiyawat Luang-amonloet, the chairman of the board of the Amonphan-Suansayam Company Ltd., had spoken of this. He had said that at the beginning of September high-level executives of the Disney Land Development Company from California in the United States, including Mr. Ted Lai, the representative from the United States; Mr. Kenneth Wong, a senior vice-president and general director; and Mr. Wingchao, a senior vice-president for design in the Asia-Pacific region, would come to Thailand and visit him in order to look at the work done by Suansayam and get information about Thai amusement parks. But when the time came, these representatives did not get in touch with Mr. Chaiyawat, and no one knew whether the representatives had come to Thailand or not. [passage omitted]

Vietnam

Leaders Receive PRC Friendship Delegation

Phan Van Khai on 5 Dec

BK0812072994 Hanoi Voice of Vietnam in English 1000 GMT 7 Dec 94

[FBIS Transcribed Text] A delegation of the Chinese People's Association for Friendship with Foreign Countries led by (Chian Zheng Ying), vice president of the All-China Political Consultative Conference and adviser to the association began its Vietnam visit on Monday. The delegation was received by the leader of Vietnam Union of Friendship Organization and also by Mr. Le Quang Dao, president of the Fatherland Front, and Deputy Prime Minister Phan Van Khai. Mr. Khai and Ms. (Chian) exchanged views on socioeconomic development in Vietnam and China and expressed pleasure at the development of friendship and cooperation between the two countries.

Do Muoi Receives Delegation 8 Dec

BK0812151894 Hanoi VNA in English 1434 GMT 8 Dec 94

["Party General Secretary Receives Chinese Friendship Association Delegation"—VNA headline]

[FBIS Transcribed Text] Hanoi VNA Dec 8—Party General Secretary Do Muoi received this afternoon the visiting delegation of the National People's Association for Friendship with Foreign Countries led by Ms. Chian Zheng Ying [name as received], vice president of the All-China Political Consultative Conference and advisor to the association.

During the reception, General Secretary Muoi hoped that the friendship organizations of the two countries would push up their contacts, exchange of views on their work to contribute to the promotion of friendship and cooperation between the two peoples.

For her part, Ms. Chian Zheng Ying reiterated her association's efforts to preserve peace and develop the traditional solidarity and friendship between the two peoples. She greeted the Vietnamese people on their achievements in the renovation process, considering them a source of encouragement to the Chinese people.

Vo Van Kiet Receives Belgian Prince 6 Dec

BK0712150494 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 Dec 94

[FBIS Translated Text] Prime Minister Vo Van Kiet cordially received visiting Belgian Crown Prince Philippe at the Thong Nhat Palace in Ho Chi Minh City on 6 December.

On behalf of the Vietnamese Government and people, Prime Minister Vo Van Kiet warmly welcomed the Belgian crown prince, saying his visit conveys the fine sentiments and friendship of the Belgian Government and people. Prime Minister Vo Van Kiet highly appraised the support and assistance provided to the Vietnamese people by the Belgian Government and people for national construction and development.

The Belgian crown prince expressed his delight at having the chance to visit Vietnam and see the country's active economic development. He highly appraised the achievements of the Vietnamese people in the renovation undertaking. Prince Philippe also briefed Prime Minister Vo Van Kiet on the achievements made by his delegation in Vietnam. He asserted that the Belgian Government and people will always support and assist the Vietnamese people. He said he is confident that the relations of friendship and economic cooperation between the two nations will be increasingly developed in the days ahead.

Defense Minister Continues Visit to Philippines

BK0712150694 Hanoi VNA in English 1439 GMT 7 Dec 94

[FBIS Transcribed Text] Hanoi VNA Dec. 7—A military delegation led by Defence Minister General Doan Khue is visiting the Philippines at the invitation of Defence Minister Renato De Villa.

On December 5, Gen. Khue and his entourage held talks with a military delegation of the Philippines led by Defence Minister De Villa. The two sides exchanged views on the situation of national development and the building up of the armed forces in each country, on the strengthening of friendship between the two armed forces, and on issues of common concern.

On Wednesday afternoon, the Vietnamese delegation paid a courtesy visit to President Fidel Ramos who welcomed the visit as a fine manifestation of the development of the friendly relationship between the two peoples and armies. President Ramos noted that the exchange of contacts and visits between the two Defence Ministries and armed forces of Vietnam and the Philippines would increase their mutual understanding and trust, thus contributing to the maintenance of peace and stability in the region.

The Philippine leader asked Gen. Khue to convey his best regards to party General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet, and wished for the (?further) consolidation and development of the Vietnam-Philippines friendly relationship.

Commentary Reviews Relations With Philippines

BK0812124794 Hanoi Voice of Vietnam in English 1000 GMT 8 Dec 94

[Station commentary]

[FBIS Transcribed Text] The Philippines is one of the six ASEAN member countries, yet Vietnam and the Philippines have had long-term traditional relations in culture and business. The Philippines established diplomatic relationship with Vietnam in 1976. The official visit to the Philippines by Vietnamese Prime Minister Vo Van Kiet in 1992 and the visit to Vietnam by Filipino President Fidel Ramos in 1993 were important steps in the developing relations between the two countries in many fields.

Business cooperation between the two countries is increasing and business output between the two countries increased from $12 million in 1988 to $50 million in 1993. Filipino companies have invested in 11 projects in Vietnam and the country still only ranked the fifth in term of ASEAN investment in Vietnam. But a large number of agreements have been implemented effectively between the two governments covering economic, scientific-technological, business, airport, cultural, and tourism, export-import goods, and service industry.

Relations have also been broadened by the exchange of high-level delegations, ministries [as heard], and the placing of Filipino business orders with Vietnam.

Vietnam and the Philippines have a common hope for the socioeconomic development of all countries and for peace and cooperation in the region.

President Fidel Ramos hopes the friendship and cooperative relations between the two countries will be further developed. The Philippines has much in common with Vietnam and supports Vietnam joining the ASEAN to take part in ASEAN. President Fidel Ramos said in Vietnam last year relationship between Vietnam and the Philippines was an important factor for peace in the region.

The visit to the Philippines of Vietnamese Defense Minister General Doan Khue recognizes that as fact. General Doan Khue and member of his delegation have been warmly respected. On 7 December, the Philippine Defense Minister General Renato De Villa had talks with the Vietnamese general on the gradual development of relations between the two armed forces. The delegation was also received by President Fidel Ramos.

Interior Minister Arrives in Malaysia for Visit

BK0712150794 Hanoi VNA in English 1439 GMT 7 Dec 94

[FBIS Transcribed Text] Hanoi VNA Dec. 7—A delegation of the Interior Ministry led by Minister Bud Dhien Ngo arrived in Kuala Lumpur, Malaysia this afternoon, beginning a five-day official visit as guest of Mr. Mahathir Mohamed, prime minister and minister of the interior of Malaysia.

This is the first Malaysia visit of a Vietnamese Interior Ministry delegation. This visit aims to strengthen the friendship and understanding between two countries.

While there Minister Ngo will have discussions with senior officials of the Malaysian Interior Ministry, and call on some establishments to share experience.

Commentary on Economic Relations With Japan

BK0712161594 Hanoi Voice of Vietnam in English 1000 GMT 7 Dec 94

[Station commentary]

[FBIS Transcribed Text] Japan and Vietnam have discussed ways to better implementation of agreements already reached on bilateral cooperation, especially economic collaboration. Regular discussions were held between Vietnamese and Japanese foreign ministries recently in Tokyo. Here is our radio's comment:

Vietnam and Japan are the two nations in Asia close to each other geographically. Reality has proved that development of the Vietnamese-Japanese relationship and cooperation benefit not only the interests of these two nations but contribute to the development in Asia-Pacific in accordance with the common trend for peace, stability, and cooperation in the world over.

In recent years, especially after the lifting of the U.S. trade embargo, Vietnam and Japan have exchanged a number of visits by high-level delegations of businessmen and individuals. The visit to Japan by Vietnamese Prime Minister Vo Van Kiet in March 1993 and the visit to Vietnam by Japanese Prime Minister Tomiichi Murayama in late August 1994 marked a new step of development in the fine relationship and cooperation between the two governments and the two peoples of Vietnam and Japan.

Japan appreciated Vietnam's achievements in economic reform and actively assisted Vietnam in various fields in the cause of national construction. Japan is now the country which provides the biggest official development aid to Vietnam—$318 million in 1992, $480 million in 1993—and Japan's nonrefundable aid to Vietnam is also increasing from $16 million in 1992 to $58 million in 1993, and it is estimated that it will be $80 million in 1994. Japan is also the biggest partner of Vietnam and ranks the fifth among investors in Vietnam with 64 projects at the cost of $525 million.

However, the trade relations between Vietnam and Japan are not up to the potential of the two countries. For this reason, in his visit to Vietnam recently, the Japanese prime minister and Vietnamese leaders agreed on a number of measures to boost the bilateral cooperation. In implementation of this agreement, a regular discussion between the two Foreign Ministries took place in Tokyo recently. Vietnamese delegation was led by Vietnamese Deputy Foreign Minister Vu Khoan and the Japanese delegation was led by Deputy Foreign Minister (Hiroshi Sokoda). The two sides had detailed discussions on economic cooperation and the use of official development aid granted by Japan to Vietnam and agreed to negotiate on the early signing of an agreement on the avoidance of double taxation and another agreement on investment protection in order to promote Japan's investment in Vietnam. They also exchanged views on international and regional issues of common concern and expressed the two countries' wishes to contribute to the common trend for cooperation and development in Southeast Asia and the Asia-Pacific region as a whole.

Mobile Communications Market Judged Promising

BR0812133294 Swansea MOBILE EUROPE in English Dec 94 p 14

[Unattributed article: "Vietnam Set for Mobile Comms Boom"]

[FBIS Transcribed Text] From a relatively low base, the mobile communications market in Vietnam is expected to show considerable growth over the next decade and offers excellent opportunities for foreign service providers and equipment suppliers, according to a new BIS Shrapnel study, Mobile Communications in Vietnam. It forecasts that the subscriber base for cellular services will have increased from 7000 in 1993/4 by 250 percent by the end of 1995 due largely to international companies establishing a presence there.

Says study author, Alistair Craw, "Vietnam's telecommunications infrastrucutre has remained undeveloped and only recently has the Government given it a high priority.

"The Government is extremely keen to attract foreign investment to speed up telecommunications development, and this has been mainly due to the recognition that the development and growth of the economy is largely linked to a continual flow of foreign capital and technology."

Vietnam's existing mobile networks are operated through Business Cooperation Contracts (BCCs) under the auspices of the Vietnamese Directorate General for Posts and Telecommunications (VNPT).

They currently comprise: and AMPS network, a PACTS two-way CT2 network, four paging networks, with two digital GSM cellular mobile networks currently on trial. Mr. Craw notes that while no BCCs are yet in place between VNPT and foreign counterparts to provide mobile radio, data and satellite services, opportunities do exist for overseas mobile operators to provide these services.

* Leadership Role in Defense, Security Reviewed

95P30019 Hanoi QUAN DOI NHAN DAN in Vietnamese 2 Sep 94 p 1

[Article by Pham Minh Chau]

[FBIS Translated Text] On 1 September, the Ministry of Defense held a meeting to review national-level policy paper KX-09-14 on the topic of the leadership role of the party, the management role of the state and the guiding, commanding function of the High Command in the task of ensuring the nation's defense and security strategy. The paper had been drafted under the direction of the Political General Department. Deputy Defense Minister Lt. General Nguyen Thoi Bung presided over the meeting as chairman of the national review council for topic KX-09-14.

Virtually all comments voiced at the meeting endorsed KX-09-14 as a wide-ranging, complex, strategic study of defense and security issues. The group of authors was described as having worked seriously with the scientific method, combining practical experience with new initiatives based on the scientific arguments of Marxism-Leninism and the thoughts of Ho Chi Minh. Regarding the leadership and administration of national defense and security activities exercised by our party and government, the paper was considered to be highly scientific, practical, and implementable in the current real situation. A number of findings from the study which had been tested in real life have already demonstrated practical results.

When the review council voted to evaluate the paper, it received nine "outstanding" ratings and one "good" rating. Review council Chairman Nguyen Thoi Bung suggested a few issues be studied further before the completed paper is submitted to the party's Central Executive Committee and the government for implementation in the near future.

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